

## MARKET TRANSFORMATION ADVISORY COMMITTEE

Minutes of the meeting held on Wednesday 8 July 1998

Present	Papers
Bob Ryder, DETR - Chairman John Grewe, DTI Teresa Smallbone, NCC Tim Curtis, EST Jim Skea Deborah Brown Chris Baker, DETR Owen Emery, DETR - Secretary	MTP rationale statement Tender documents and bids

### Agenda Items

1. Mr Baker made an introductory presentation on the background to, and rationale behind, the Market Transformation Strategy. He then outlined the Replacement Lead Contract tendering process. Hitherto ETSU and BRECSU had performed this function under the auspices of their Energy Efficiency Best Practice Programme contracts with the Department. The new Lead Contractor(s) would be required to carry out formal product sector reviews; to sponsor and manage discrete policy research projects and provide briefing and support to policy measures for which DETR has the primary responsibility.
2. Tenders had been received from BRECSU, CEST, ERM, ETSU and March Consulting. In discussion on their merits, the Committee agreed:-
  - (a) CEST's bid (no price indicated) could be discounted at the outset since they had stated a preference to act as a sub-contractor for the Market Transformation Programme (MTP).
  - (b) March Consulting's bid (£585,000) was thin and not particularly creative or constructive. The long lead time before substantial deliverables could be achieved would be a serious concern.
  - (c) BRECSU's bid (£473,522) was restricted to the 3 sectors with which they were familiar: Lighting, Heating and Office Equipment. BRECSU's strengths lay more in research rather than in programme management and they had little experience of tackling wider environmental (as distinct from purely energy) issues. The history of over-running on budgets and under-performing would be a serious concern. In these circumstances, they would probably not be competent to act as a Lead Contractor for all sectors, although they might be in the running for the sectors for which they had tendered, in the event of the Department opting for more than one Lead Contractor.

- (d) ERM had submitted a strong bid (£789,745). It was evident that they had read the brief very thoroughly, and they had put forward some very creative proposals. They had assembled an impressive team, including the Environmental Change Unit (ECU - for whom £90,000 had been included in the tender price) and Projects In Partnership, and were strong on consultation. They were also performing well on the Climate Impact Programme which they were undertaking jointly with another part of the ECU for the Department's Global Atmosphere Division. On the other hand, they were only proposing to issue 2 new sector papers in the first year (the Department was hoping for rather more to be produced) and, like March Consulting, would require a considerable warming-up period.
- (e) ETSU's bid (£450,290) was also strong. They had established a proven track record of achieving deliverables, high competence, effective management performance and even preparing Ministerial speeches. Furthermore, unlike ERM there would be no fundamental transitional problems requiring Departmental input. Like ERM they were planning to engage the ECU (for whom £130,000 had been included in the tender price). On the other hand, they had not provided as much information as ERM on consultation proposals, and their bid only covered the White Goods, Cooking, Brown Goods and Non-Domestic sectors (although they would be willing to act as Lead Contractor for all sectors).

3. It was agreed that ERM's and ETSU's tenders should be shortlisted for further evaluation, and each would be invited to make a formal presentation within the next 10 days/fortnight. Officials said that MTAC members would be welcome to attend but those present indicated that they would not wish to do so unless requested. The opportunity should be taken to probe ETSU on their consultation proposals, and ERM on their deliverables in the first year, "small print" details (eg Year 2000 compliance) and what use they planned to make of their extensive European office network.

4. On MTAC membership, it was agreed that David Simpson of Scottish Hydro-Electric should be approached with a view to joining the Committee to represent manufacturing/retailing interests. A list of telephone numbers and E-mail addresses of existing Committee members would be circulated (attached). In connection with the MTAC's terms of reference, the Department would consider possible gaps and overlaps between the MTP and other programmes.

5. The date of the next meeting was dependent upon a Programme of Work being drawn up by the eventual Lead Contractor, which was not expected before September.

## **EXISTING MTAC MEMBERS**

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