

REQUEST FOR DIRECTOR DECISION – DD2555

Specialist technical support for the framework for provision of domestic retrofit measures

Executive Summary:

MD2775 approved the commencement of a procurement process and entry into a new framework agreement including the delivery of a third phase of Warmer Homes ('Warmer Homes 3'). Warmer Homes 3 introduces several novel elements to the Warmer Homes programme, such as an offer for householders who can afford energy efficiency improvements ("Able to Pay"). The new framework will have to be sufficiently flexible to accommodate Able to Pay initiatives, allow London Boroughs to call off the framework, and reflect the requirements of further Government funding schemes which are anticipated to be available later this year.

Due to the complexity of the proposed framework, the GLA wishes to procure specialist technical support from S&J Consulting Limited to develop the procurement strategy, tender documentation and contract terms. Single source justification (SSJ Form GLA 81968) is attached. TfL Legal will provide all legal support on the development of the contract terms.

Decision:

That the Executive Director, Good Growth approves:

- i. expenditure of £67,900 on a contract with S&J Consulting Limited to provide specialist technical support on developing the procurement strategy, tender documents and contract terms for the new framework for provision of domestic retrofit measures including Warmer Homes 3; and
- ii. an exemption from the Contracts and Funding Code for a single source tender.

AUTHORISING DIRECTORS

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Phillip Graham

Position: Executive Director, Good Growth

Signature:

Date:

23/11/21



PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor wants to make London a zero-carbon city by 2030, while at the same time protecting the most disadvantaged by tackling fuel poverty. The COVID-19 pandemic has presented London with its most challenging period in recent history and missions to deliver a Green New Deal and a Robust Safety Net are central to London's recovery programme.
- 1.2 The Mayor's Warmer Homes programme has operated since January 2018 and provides heating and insulation improvements to homes in or at risk of fuel poverty. By winter 2021 it is expected to have improved over 2,000 homes and has so far secured over £6m in match funding from the Green Homes Grant Local Authority Delivery programme and the Energy Company Obligation.
- 1.3 Recent government funding means the GLA is close to reaching the procurement headroom on the existing supply contract for the Warmer Homes programme. Further funding is likely to be available in the form of government grants and energy supplier funding and the GLA is committed to securing funds on London's behalf. MD2775 secured approval to procure a framework for the delivery of Warmer Homes 3 whilst stating any acceptance and expenditure would be subject to a further Decision.
- 1.4 The new Warmer Homes framework will have to be sufficiently flexible to accommodate Able to Pay initiatives, allow London Boroughs to call off the framework, and reflect the requirements of further Government funding schemes which are anticipated to be available later this year. Due to the complexity of the proposed framework, the GLA wishes to procure specialist technical support from S&J Consulting Limited to develop the procurement strategy, tender documentation and contract terms. TfL Legal will provide all legal support on the development of the contract terms.
- 1.5 S & J Consulting Limited have previous involvement in GLA Energy team projects which means they are able to deliver the programme more quickly and efficiently than another supplier, thereby reducing costs. Other suppliers would require substantial preliminary work which would therefore increase overall project costs.
- 1.6 S & J Consulting Limited have considerable commercial experience in the energy sector and supporting the creation of frameworks. They understand the GLA/TfL processes having supported in both the RE:FIT and RE:NEW frameworks and having more recently worked on the London Power procurement.
- 1.7 The day rate due to S & J Consulting Limited has been held since 2019. Their experience of GLA/TfL working will further enhance value for money by removing the need for a familiarisation period therefore progressing the work at pace.

2. Objectives and expected outcomes

- 2.1 This contract has the following objectives:

- design of the Warmer Homes 3 programme including supporting TfL to develop the procurement strategy
- procurement of Framework for Domestic Retrofit
- mini-competition to appoint Warmer Homes 3 provider.

2.2 This contract has the following outcomes:

- successful procurement and award of Warmer Homes 3 contract
- circa £30m+ spend
- supporting the GLA in achieving energy efficiency improvements to circa 3,000 homes by the end of March 2023
- domestic retrofit framework in place - allows fast procurement of programmes across London.
- a more deft ability to secure and deliver on external funding opportunities.

Governance and procurement approach

2.3 In line with the GLA Contracts and Funding code (Section 10.1), an exemption from standard procurement processes was sought through a single source justification (Form GLA 81968 as reviewed at TfL Commercial Approval Panel on 28th Oct), due to:

- previous involvement in a specific current project or continuation of existing work that cannot be separated from the new project/work
- the supplier is unique in its ability to provide compatibility with an existing service.

2.4 S & J Consulting Limited's previous involvement in GLA Energy team projects means they are able to deliver the programme more quickly and efficiently than another supplier, thereby reducing costs. Other suppliers would require substantial preliminary work which would therefore increase overall project costs.

2.5 S & J Consulting Limited have considerable commercial experience in the energy sector and creating successful procurement frameworks. They understand the GLA/TfL processes having supported in both the RE:FIT and RE:NEW frameworks and having more recently worked on the London Power procurement. The day rate due to S & J Consulting Limited has been held since 2019. Their experience of GLA/TfL working will further enhance value for money by removing the need for a familiarisation period therefore progressing the work at pace.

3. Equality comments

3.1 Under Section 149 of the Equality Act 2010, as a public authority, the GLA is subject to the public sector equality duty and must have due regard to the need to

- (i) eliminate unlawful discrimination, harassment and victimisation;

- (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- (iii) foster good relations between people who share a relevant protected characteristic and those who do not.

The "protected characteristics" are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or is connected to a protected; take steps to meet the different needs of such people; encourage them to participate in public life or in any activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without one.

- 3.2 The Warmer Homes 3 programme targets residents who are in or at risk of fuel poverty and homes with poor levels of energy efficiency, and it will aim to promote holistic, whole-house energy efficiency retrofits. The Warmer Homes 3 procurement process has been designed to help improve equality of opportunity in the supply chain by placing requirements on tenderers including details of how they will create an inclusive supply chain.
- 3.3 The programme is designed to advance equality of opportunity and support occupants who are particularly vulnerable, whether as a result of their protected characteristics or other factors, such as their health or personal circumstances. It is expected that this scheme will have a positive impact on lower income and fuel poor households directly through the home refurbishments. Indirect benefits are also anticipated by catalysing greater awareness of energy use and the opportunities for people to reduce their energy consumption and bills, whilst still protecting their health.

4. Other considerations

Links to Mayoral strategies and priorities

- 4.1 Alongside its central role in delivering the Fuel Poverty Action Plan this proposal also aligns with relevant actions in the London Environment Strategy, Equality, Diversity & Inclusion Strategy and Health Inequalities Strategy.
- 4.2 Relevant recovery missions are:
 - **A Robust Safety Net**
The pandemic has impacted on Londoners' incomes and household bills and support from the Warmer Homes Advice Service will help to relieve hardship.
 - **A Green New Deal**
Londoners living in fuel poverty are more likely to experience cold, damp homes and the Warmer Homes Advice Service supports them to use energy more efficiently and supports access to funding for heating and insulation improvements.

Key risks and issues

4.3 Table of key risks and issues:

Risk	Likelihood (out of 5)	Impact (out of 5)	Rating	Mitigation
Without additional and specialist support, the GLA would not be able to procure a framework to the Sustainable Warmth Grant timescale which would reduce the likelihood of meeting Warmer Homes 3 grant requirements and KPI's.	5	5	R	Procure external support that can support the procurement process. S & J selected due to previous involvement in GLA Energy team projects which means they are able to deliver the programme more quickly and efficiently than another supplier. Other suppliers would require substantial preliminary work.

Impact assessment

- 4.4 S&J specialist support facilitates delivery of strategically important Warmer Home 2 & 3 fuel poverty programmes which contributes to delivery of the Mayor's London Environment Strategy and to London becoming zero carbon by 2030.
- 4.5 An Impact Assessment was undertaken for both the London Environment Strategy and its associated programmes. As this funding will help deliver the objectives of these Strategies, the original impact assessments are still relevant to the project. There will be appropriate levels of Impact Assessment and stakeholder consultation in relation to the development and delivery of this programme.

Conflicts of interest

- 4.6 There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1 Approval is sought for expenditure of up £67,900 to procure S&J Consulting Limited to provide Specialist procurement framework design, procurement strategy and support for the framework for provision of domestic retrofit measures as detailed within this report. The contract expenditure includes the following cost milestones as summarised below:

Contract Milestones

Value

Procurement strategy approved	£17,500
ITT documents produced	£7,500
ITT issued (inc. contract)	£5,000
Tender responses received	£3,000
Evaluation completed	£7,000
Contract award	£4,000
Mini competition issued	£10,000
Evaluation completed	£5,500
Mini competition awarded	£8,400
Total Contract Expenditure	£67,900

- 5.2 The £67,900 cost of this contract will be funded from the 2021-22 Warmer Homes Revenue budget held within the Environment Budget and approved as part of the 2021-22 budget setting process.

6. Legal comments

- 6.1 Sections 1 - 2 of this report indicate that the decisions requested of the director fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - consult with appropriate bodies.
- 6.2 In taking the decisions requested, the director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 of this report.
- 6.3 Section 9 of the Contracts and Funding Code (the 'Code') requires the GLA to seek three or more written quotations in respect of the services required or call off the services required from an accessible framework. However, the director may approve an exemption from this requirement under section 10 of the Code upon certain specified grounds. One of those grounds is that the approval of the exemption is justified on the basis that the supplier has previous involvement in a specific current project or continuation of existing work that cannot be separated from the new project, and another of those grounds is that the supplier is unique in its ability to provide compatibility with an existing service. Officers have indicated in section 2 of this report that

these grounds apply. Officers have also indicated in section 2 of this report that they are satisfied that the proposed contract affords value for money due to the holding of previous day rates.

- 6.4 The director may approve the proposed exemption if satisfied that the grounds for exemption apply, that the contract affords value for money, and if the director is satisfied with the content of this report generally.
- 6.5 Officers must ensure that appropriate contract documentation is put in place and executed by the supplier and the GLA before the commencement of the services.

7. Planned delivery approach and next steps

Activity	Timeline
Concept design	May 2021
Procurement design and strategy	July 2021
Framework tender documents produced	October 2021
Framework tender award	December 2021
Warmer Homes 3 mini competition tender documents produced	December 2021
Warmer Homes 3 mini competition tender award	January 2022

Appendices and supporting papers:

- MD2775 - Warmer Homes 3 and Green Homes Grant Local Authority Delivery Scheme Funding
- Single Source Request Form - GLA 81968 – Specialist Technical Support for the framework for provision of domestic retrofit measures

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

Kizzian Owen has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

James Hardy has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Directors for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

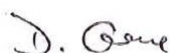
Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 22 November 2021

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

22/11/21