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Award

Interim Delivery Model (IDM) – WH:SHF and WH:LG

DESNZ & DSIT Group Commercial

F15: Voluntary ex ante transparency notice

Notice identifier: 2025/S 000-017748

Procurement identifier (OCID): ocds-h6vhtk-05098a

Published 29 April 2025, 4:53pm

Section I: Contracting authority/entity

I.1) Name and addresses

DESNZ & DSIT Group Commercial

3-8 Whitehall Place

London

SW1A 2EG

Email

hthcommercial@energysecurity.gov.uk

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/department-for-energy-security-and-net-zero>

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Interim Delivery Model (IDM) – WH:SHF and WH:LG

II.1.2) Main CPV code

- 71314000 - Energy and related services

II.1.3) Type of contract

Services

II.1.4) Short description

The Department for Energy Security and Net Zero ("DESNZ") is publishing this voluntary transparency notice to alert economic operators of its intention to vary the Technical Assistance Facility 2 (TAF 2) contract (con_5585) with Turner & Townsend Consulting Ltd (T&T).

The variation will enable T&T to provide Interim Delivery Model (IDM) services, addressing a gap in service for grant recipients within the Warm Homes: Local Grants (WH:LG) and Warm Homes: Social Housing Fund (WH:SHF) schemes due to unforeseen delays in procuring the

wider Delivery Partner 2 (DP2).

The variation will commence following a period of 30 days from the date of publication of this notice.

DESNZ informs the market that the relevant modifications (as described below) are justified on the basis that they are in compliance with Public Contracts Regulations 2015 (PCR) pursuant to Regulation 72(1)(b).

Please note that the value and duration of this variation is indicative at time of publishing and subject to amendment up to the expiry of this notice.

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £12,100,000

II.2) Description

II.2.2) Additional CPV code(s)

- 75100000 - Administration services
- 79000000 - Business services: law, marketing, consulting, recruitment, printing and security

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

Unforeseen delays to the procurement of Delivery Partner 2 (PIN Notice identifier: 2024/S 000-028336) have resulted in a gap in service coverage for Grant Recipients (GRs) of the Warm Homes: Local Grants (WH:LG) and Warm Homes: Social Housing Fund schemes.

The schemes will collectively issue £1.8bn of grant funding; the Authority cannot permit those funds to be issued to grant recipients in the first year of delivery without adequate

support and oversight to ensure value for money, adherence to grant issuing conditions and mitigation of the risk of fraud and error.

The service gap for in-delivery support between the respective schemes launches (April 2025) and the award and mobilisation of DP2 (TBC – indicative date of early 2026) must be addressed.

DESNZ therefore requires a variation to be made to the TAF 2 contract to enable Turner & Townsend to address that service gap via an Interim Delivery Model (IDM).

The contract variation is required to enable the provision of an estimated 10 months of interim delivery support from the 2nd of June 2025, until a potential DP2 supplier is awarded and mobilised (TBC - indicative date of early 2026).

This contract variation is justified under regulation 72(1)(b) of the Public Contracts Regulations 2015 (PCR 2015) on the basis that:

- The additional works have become necessary and were not included in the initial procurement.
- A change in contractor cannot be made for economic or technical reasons.
- A change in contractor would cause significant inconvenience or substantial duplication of costs for the Contracting Authority, and the value of the modification does not exceed 50% of the original contract value.

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

The Authority holds the view that the contract may be modified without a new award procedure as it satisfies the requirements of Regulation 72(1)(b) of PCR 2015 for the reasons set out below:

If the TAF 2 contract is not varied to enable delivery of the IDM, there will be no in-delivery support to WH:SHF and WH:LG scheme grant recipients between the schemes' launch (April 2025) and award/mobilisation of a future DP2 supplier (date TBC – indicative date early 2026).

In their capacity as the provider of TAF 2 requirements, T&T has built relationships with grant recipients preparing to receive funding from the WH:LG and WH:SHF schemes through the provision of one-to-one (e.g. masterclasses and roundtables) and one-to-many (e.g. 1-2-1 support) pre-delivery learning and support offerings.

Consequently, T&T are well placed to ensure a consistent level of support for grant recipients through the early stages of their projects by ensuring they have access to the technical expertise and resources required to resolve any challenges encountered.

TAF2 pre-delivery service packages share significant commonalities with IDM requirements, and can be pivoted with minimal disruption to in-delivery support; in preparing grant recipients to launch their funded projects, T&T has built a credible knowledge of the schemes, supporting policies and steps required to enable effective operational delivery to progress.

With the limited time available, The Authority could not define a viable route to market which would have provided similar service continuity and oversight of grant spending between the scheme launches and DP2 award, nor does it have the capacity and capability to deliver those services in-house.

Multiple contractor variations would have caused significant disruption to grant recipient

user experience, occurring during handover from T&T in their capacity as TAF 2 provider to an IDM supplier, to the eventual DP2 supplier.

Finally, the value of the modification will not exceed 50% of the original contract value (£13.3 million of a contract value of £26.6 million).

In summary, T&T represents the most viable route for DESNZ to ensure:

1. Value for money;
2. Successful/compliant deployment of government grant funding;
3. Mitigation of fraud/error within schemes; and
4. Minimal disruption of services provided to Grant Recipients.

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

Section V. Award of contract/concession

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

29 April 2025

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Turner and Townsend Consulting Ltd

Low Hall, Calverly Lane, Horsforth

Leeds

LS18 4GH

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Initial estimated total value of the contract/lot/concession: £26,600,000

Total value of the contract/lot/concession: £12,100,000

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Department for Energy Security and Net Zero

3-8 Whitehall Place

London

SW1A 2EG

Email

htthcommercial@energysecurity.gov.uk

Country

United Kingdom