

RECORD OF EXECUTIVE DECISION

Tuesday, 16 January 2024

Decision No: (CAB 23/24 43547)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Economic Development
SUBJECT:	Energy Procurement Contract
AUTHOR:	Jason Taylor

THE DECISION

Modified recommendation (i)

- (i) To recommend to Council, to approve the procurement of the council's energy needs via the Laser Energy Procurement Framework 2024 through to September 2028, and
- (ii) To give delegated approval to the Executive Director of Place following consultation with the Executive Director Corporate Services (S151) to undertake the following recommendations;
- (iii) To enter into appropriate Customer Access Agreements through the Laser Framework for the supply of electricity, gas, and ancillary services;
- (iv) To procure and award a call off contract under a Laser framework agreement for the Council's (including partners) gas and electricity supplies for a term of up to four years for the period 2024-2028; and
- (v) To approve the in-contract purchasing options and additional ancillary services under the Laser Framework.

REASONS FOR THE DECISION

1. To ensure all gas and electricity supplies are covered by a contracted price to guarantee the Council does not pay significantly higher 'out of contract' rates and manages ongoing cost risks.
2. Ensure that the Council procures its gas and electricity needs in a compliant, best practice and cost-efficient manner.

DETAILS OF ANY ALTERNATIVE OPTIONS

1. The option to undertake an open tender process was considered and rejected.
2. A separate open tender process was ruled out as procuring this requirement alone would not result in the reduced cost risk achieved via the

economies of scale associated with the Laser framework. There would also be an additional cost from procuring a broker to leverage the market on the Council's behalf. This option would not have resulted in a value for money solution over the term of the next contract and the associated procurement exercise would have been time-consuming and costly.

3. In addition, it is proposed the Council portfolio and/or consumption profiles will change over the next 4-year contract period. Particularly when considering the council's aspirations to decarbonise its corporate assets. The Laser contracts will protect the Council from financial penalties associated with these changes, which a standard open tender would not, without a cost risk.
4. The Council will gain a greater benefit from an established framework; this enables it to use the additional purchasing power of joining with a cohort of similar organisations. This approach will allow the Council to achieve the most favourable pricing available for its gas and electricity requirements, even through a period of change.
5. There are a number of frameworks available which broadly meet the Council's requirements; these have been reviewed as part of the process. The Laser Framework has been assessed as it provides the best value available by utilising units bought at a competitive pricing point, greater flexibility, closest alignment to the Council's objectives, along with reduced administration that would come from using the same suppliers and support provided by Laser. It also provides a strong future option for the Council to explore "Green" baskets or flexibility contracts as part of the Green City and Cost Reduction Programmes. Therefore, it is proposed the Council should purchase gas and electricity for its housing and corporate assets under the Laser framework.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date:
16th January 2024

Decision Maker:
The Cabinet

Proper Officer: Claire Heather
SCRUTINY Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.
Call-In Period expires on 24 January 2024
Date of Call-in <i>(if applicable) (this suspends implementation)</i>
Call-in Procedure completed <i>(if applicable)</i>
Call-in heard by <i>(if applicable)</i>
Results of Call-in <i>(if applicable)</i>