

**Name of decision maker: James Deane**

**Service Area: Finance & Resources**

**Title of Decision:** Award of contracts for the supply of Gas & Electricity for the period October 2016 – September 2020

**Decision made and reasons:**

**Decision:**

To approve that:-

- (1) That a contract for the supply of Gas is awarded to Total Gas & Power.
- (2) That a contract for the supply of Electricity is awarded to Npower.

**Reason:**

Since 2011 the Council have been using the services of Laser Energy Buying Group to purchase the Council's energy requirements. Laser Energy Buying Group was established in 1989 to manage Kent County Council's energy purchasing, and has since grown to become one of the largest energy-buying groups in the UK with an annual spend in excess of £400M.

The Council's approximate annual spend on energy is £570k electricity and £390k gas.

Laser's current flexible procurement frameworks for the supply of gas and electricity expire at the end of September 2016. Laser has now completed an OJEU compliant tender and award process for the supply of gas and electricity, and has confirmed the appointment of Total Gas and Power and Npower respectively for the period October 2016 – September 2020.

In compliance with its flexible approach to energy procurement, Laser will commence the purchasing of gas and electricity from January 2015 for the supply period October 2016 – September 2020.

Under the Council's Constitution, Part 3 Responsibility for Functions, Schedule 3 Scheme of Onward Delegation from Chief Officers, Section A From the Chief Executive, provides the Corporate Director (Finance & Operations) or the Assistant Director (Finance & Resources) the relevant delegated authority to enter into contracts and/or extend existing contracts in respect of the purchase of gas and electricity supplies as is necessary to service the Council's properties and, more generally, in terms of the award, extension, renewal and termination of such arrangements as are in the best interests of the Council

**Reports considered:**

None

**Officers/Councillors/Ward Councillors/Stakeholders Consulted:**

None

**Monitoring Officer Comments:**

No comments to add to the report.

**S151 Officer Comments:**

No further comments to add.

**Implications:****Value for Money:**

During 2009-13 Laser purchased the Council's gas and energy requirements and achieved wholesale purchase prices that were £31.9k cheaper when compared to the average market prices and £311.1k compared to maximum market prices.

**Financial:**

Over the period 2009-2013, Laser's average electricity purchase price was £2.31/MWh (4.7%) below the average market price.

Over the period 2009-2013, Laser's average gas purchase price was 1.55 p/therm (2.7%) below the average market price

**Risk:**

Laser undertakes a flexible approach to energy buying which is in alignment with their risk management strategies. This is in conjunction with the Governance Panel to manage energy prices consistently over a period of time.

**Officer Signature:**

Date: