

Officer Non Key Executive Decision

Relevant Chief Officer (Decision Maker):	Steve Thompson, Director of Resources
Relevant Cabinet Members (for consultation purposes):	Councillor Fred Jackson / Councillor Mark Smith
Report Author (Officer name and title):	Janine Bradley Corporate Procurement and Projects Officer
Implementation Date of Decision:	2 March 2018

SUPPLY OF ELECTRICITY - HALF HOURLY AND NON HALF HOURLY

1.0 Purpose of the report:

- 1.1 To confirm the outcome of the recent tender exercise undertaken for the supply of electricity (half hourly and non half hourly) for Blackpool Council.

2.0 Recommendation(s):

- 2.1 To approve the appointment of EDF Energy Limited to undertake the supply of electricity (half hourly and non half hourly) from 1 April 2018 to 31 March 2021 with an option to extend for a further 24 month period.

3.0 Reasons for recommendation(s):

- 3.1 The current contract expires on 31 March 2018 and has no further extensions available.

A formal tendering exercise commenced in December 2017 to select a single supplier to undertake all aspects of the service from 1 April 2018. The Council tendered through the electronic portal (The Chest) in a 1 stage open OJEU process and the following suppliers submitted a compliant tender;

- EDF Energy Limited - London
- Npower Limited – Wiltshire
- SSE Energy Supply Limited - Reading

EDF Energy Limited provided the most economically advantageous tender and it is the intention to enter into a formal agreement.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

The option of undertaking a call-off from a national framework was considered but the framework only consisted of 1 supplier (Npower Limited) so was not pursued. The decision was taken to approach the market via an open competition.

4.0 Council Priority:

4.1 The relevant Council Priority is:

“The economy: Maximising growth and opportunity across Blackpool”

5.0 Background Information

5.1 This is a recurrent procurement requirement. The contract will provide on-going supply of electricity for Council premises and locations.

5.2 Does the information submitted include any exempt information? No

5.3 List of Appendices:

None.

6.0 Legal considerations:

6.1 The procurement exercise has been carried out in line with Contract Procedure Rules and Public Contract Regulations 2015 and authority has been sought from the Head of Procurement.

6.2 The Council will enter into a formal contract with EDF Energy Limited – a copy of which will be retained on the Council's Contract Register.

7.0 Human Resources considerations:

7.1 TUPE did not apply to this contract.

8.0 Equalities considerations:

8.1 None.

9.0 Financial considerations:

9.1 Mint UK rating has been sought and the resulting supplier credit rating was secure.

9.2 The overall value of the contract is approximately £15m.

10.0 Risk management considerations:

10.1 The supply of electricity must comply with the Electricity Act 1989 and any amendments and re-enactments resulting there from.

10.2 As part of the due diligence process EDF Energy will provide proof that they hold a Public Electricity Supply Licence granted under Section 6 of the Electricity Act 1989 by the Direct General of Electricity Supply (DGES).

11.0 Ethical considerations:

11.1 The Contractor has signed Blackpool Council's Supplier Charter which includes a commitment to consider how they can make a positive contribution to improve the economic, social and environmental well-being of Blackpool in order to help achieve Blackpool Council's priorities.

12.0 Internal/ External Consultation undertaken:

12.1 The evaluation panel consisted of members of Blackpool Council Energy, Data Management and Sustainable Development Team and Blackpool Operating Company Limited (Sandcastle).

The Head of Procurement has been kept informed throughout this process.

13.0 Decision of Chief Officer

13.1 To approve the appointment of EDF Energy Limited to undertake supply of electricity (half hourly and non half hourly) from 1 April 2018 to 31 March 2021 with an option to extend for further 24 month period.

14.0 Reasons for the Decision of the Chief Officer

14.1 The current contract expires on 31 March 2018 and there are no extensions permitted.

EDF Energy Limited provided the most economically advantageous tender that meets the requirements of the service.