

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TO BE TAKEN BY:

Mr Bryan Sweetland, Cabinet Member for Commercial & Traded Services

DECISION NO:

14/00096

For publication

Subject: LASER - Renewal of flexible energy procurement frameworks

Decision: As Cabinet Member for Commercial & Traded Services I agree to give delegated authority to the Corporate Director of Strategic & Corporate Services to execute the flexible energy procurement frameworks including the signing of contracts on behalf of KCC for the period October 2016 to September 2020. The contracts will be awarded to Npower (electricity) and Total GP (Gas).

Reason(s) for decision:

LASER Energy Buying Group operates Kent County Council's flexible energy procurement frameworks to purchase the gas and electricity requirements of KCC and other LASER customers. A thorough and OJEU compliant procurement process has been undertaken by LASER to renew the flexible frameworks for the period October 2016 – September 2020. The new flexible frameworks need to be executed to allow a two-year window for LASER to commence purchasing future energy requirements.

Council properties will benefit from LASER's flexible procurement and invoice validation services. There will be a return made to KCC through LASER servicing other public sector customers.

The total value of the contracts is as follows:

- a) Flexible framework contract for the supply of gas, with a value of £625m over four years, with Total Gas & Power Ltd
- b) Flexible contract for the supply of electricity, with a value of £975m over four years, with Npower Ltd

KCC's energy spend under these frameworks will be approximately £65m over four years. The remaining value is energy purchases made by LASER on behalf of other public sector customers who utilise the frameworks.

Cabinet Committee recommendations and other consultation:

On 19th September 2014 the Policy & Resources Cabinet Committee recommended that the Cabinet Member give delegated authority to the Corporate Director of Strategic & Corporate Services to execute the flexible energy procurement frameworks on behalf of KCC for the period October 2016 to September 2020, in consultation with the Cabinet Member for Commercial and Traded Services.

Any alternatives considered:

Alternative options would include using fixed term fixed price contracts for all of KCC's portfolio. This provides price certainty, but carries significant budget risk from purchasing energy requirements at times of high market prices. Other approved Public Sector Buying Organisations could carry out the Procurement operation but this would not deliver returns to KCC and would not take advantage of the well developed procurement strategy and procurement knowledge available in LASER.

Any interest declared when the decision was taken and any dispensation granted by the

Proper Officer:

None


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signed

29.09.2014
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date