



**Decision Ref. No.
B34/20 was A100/19**

DECISION RECORD ¹

Officer Key Decisions are subject to the Council's Call-In Procedure (Annex 9 of the Council's Constitution <https://www.hertfordshire.gov.uk/about-the-council/freedom-of-information-and-council-data/open-data-statistics-about-hertfordshire/who-we-are-and-what-we-do/who-we-are-and-what-we-do.aspx>)

| Subject: HCC1911437 - To procure a provider for supply of Gas & Electricity to Hertfordshire County Council sites | |
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| Staff Contact: David O'Connor Tel: 01992 556147 | Executive Member: Ralph Sangster Portfolio: Resources |

1. Decision

The decision is to utilise the LASER/London Energy Project (LEP) Energy Framework Agreement to administer the provision of the Council's corporate gas and electricity contracts for the period 1 October 2020 to 31 March 2025 and use the appointed suppliers to deliver the supplies through the framework duration. N Power will deliver the electricity contract and Corona Energy the gas contract.

2. Reasons for the decision

Due to the size and nature of the Council's portfolio, there are limitations to the types of providers that are able to deal with its complexities. There are also substantial benefits to aggregating our supplies with other authorities to gain lower rates and enhanced services, options that are mainly only available via a Central Purchasing Body (CPB).

LASER (a wholly owned subsidiary of Kent County Council) as a Professional Buying Organisation (PBO) was ultimately selected on the basis of:

- capability, capacity and experience to deliver the energy tender and subsequent OJEU compliant framework, contract, buying and risk management services; and,
- lower fees for the Procurement and Risk Management Service, while still providing greater capacity to support customer onboarding.

The energy market is an historically volatile area, that can experience unexpectedly large variations in price. Laser (and not the energy suppliers) will purchase the energy on behalf of The Council direct from the wholesale energy market accessing reduced traded prices. This is currently purchased in advance of any contract start dates, to enable the energy to be purchased in a regulated risk managed manner, providing protection from price peaks, smoothing out energy prices through a series of purchases over the procurement window.

In utilising the Laser/LEP arrangements, the Council will be able access best practice energy contract arrangements, and the contract will help:

- towards the Council's Carbon Targets by ensuring 100% renewable electricity as standard and options for green gas. The contract will also enable easier access to

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deliver arrangements which can facilitate on or off-site energy generation, demand side response and Power Purchase Initiatives;

- achieve better budget, price and risk management through the continued aggregation of the Council's energy supplies with the similar and regional public sector bodies;
- adapt to the changing energy supply market, to manage the non-energy cost elements better and move away from a transactional relationship with the appointed energy suppliers to more inclusive one-stop-shop service;
- implement arrangements where the supplier is required to facilitate better energy consumption data analysis to support energy efficiency measures, improved billing quality and increase efficiency of back office processes – which are not standard on the regular Framework offerings;

3. Alternative options considered and rejected ²

- Other CPB Frameworks
- Spot Buy (Fixed Price Contracts)
- Procure our own energy by direct tender
- Procure from renewable generators
- Do not contract at all

4. Consultation

(a) Comments of Executive Member ^{3 4}

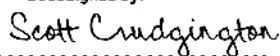
No comments

(b) Comments of other consultees ⁵

5. Following consultation with, and the concurrence of the Executive Member, I am proceeding with the proposed decision.

DocuSigned by:

Signed:

Scott Crudginton

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Scott Crudginton

04-May-2020

Title: Date:

6. Copies of agreed document to:

- All consultees
- Chairman, and Vice-Chairmen of the Overview and Scrutiny Committee
- Hard & electronic copy available for public inspection both at County Hall and on www.hertfordshire.gov.uk Democratic Services - Room 213 County Hall.
democratic.services@hertfordshire.gov.uk

¹ for guidance see Chief Legal Officer's note "Taking Decisions"

² details of any alternative options considered and rejected by the officer at the time the decision was made

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³ record any conflict of interest declared by any Executive Member consulted. If an Executive Member declares a conflict of interest DO NOT PROCEED without seeking advice from the Chief Legal Officer

⁴ If the matter has general significance for the Council and/or is, or is likely to be, controversial, then the officer shall consult the appropriate Executive Member before proceeding. In some cases it will be necessary to consult more than one Executive Member, and in some cases the Leader of the Council will need to be consulted

⁵ If the matter has local significance, but no general significance for the Council and no controversial aspects, the officer shall consult or inform the local member in writing (or by e mail) and proceed. It is essential that all officers responsible for delivering services ensure that local members are kept well briefed on issues affecting their areas.