

London Borough of Hammersmith and Fulham Record of Officers Decision

The call-in has expired and this decision can be implemented

- ❖ Draft Decision List published on: 16 August 2024
- ❖ Confirmed Decision List published on: 21 August 2024

1. **TITLE:** Award of Utilities Contracts for Energy - Flexible September 2025-2030 and Fixed Term Fixed Price (FTFP) 2025-2030
2. **DECISION MADE BY:** Executive Director of Finance and Corporate Services,
Assistant Director of Property
3. **DECISION:**
 1. To note that Appendices 1 and 2 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
 2. The Executive Director of Finance and Corporate Services and the Assistant Director of Property are asked to approve the following:
 - a) To award 2 electricity contracts to Npower (with Green Energy) for both Housing and Corporate, each contract being for 5 years between Tuesday, 1st April 2025 and Sunday, 31st March 2030 (inclusive), using the Purchase In Advance (PIA) option with a Fully Managed Service. The use of the framework established by LASER requires the Council to enter into 2 Access Agreements, with LASER, one for Corporate and one for Housing; and
 - b) To award 2 gas contracts to Corona for both Housing and Corporate between Tuesday, 1st April 2025 and Sunday, 31st March 2030 (inclusive) using the Purchase In Advance (PIA) option with a Fully Managed Service, to ensure continuity of contracted supply. The use of the Framework established by LASER requires the Council to enter into an Access Agreement; and

For the avoidance of doubt, this report recommends entering into the following agreements:

- **Electricity (Long-Term Contract)**
 1. Tripartite Access Agreement with Npower and LASER for Corporate
 2. Tripartite Access Agreement with Npower and LASER for Housing

3. Flexible Procurement Fully Managed 5-year contract with Npower – Corporate.
 4. Flexible Procurement Fully Managed 5-year contract with Npower – Housing.
- **Gas (Long-Term Contract)**
 1. Tripartite Access Agreement with Corona and LASER for Corporate
 2. Tripartite Access Agreement with Corona and LASER for Housing
 3. Flexible Procurement Fully Managed Service 5-year contract with Corona for Corporate.
 4. Flexible Procurement Fully Managed Service 5-year contract with Corona for Housing.

- **LASER Framework**

The contracts we would like to award to the above suppliers are part of the LASER frameworks as listed below. There will be a new LASER framework for 2029 which LBH&F will join and remain on current terms until 2030.

1. Electricity Flex 2024 – 2028 Framework – Y22009
2. Gas Flex 2024 – 2028 Framework – Y22008

4. **REASON FOR DECISION:**

Under the Council's Contract Standing Orders (para, 31) all decisions relating to energy procurement including the Procurement Strategy, award and/or the variation of contracts may be approved jointly by the Executive Director of Finance and Corporate Services and the Assistant Director for Property due to the volatility of the energy market.

The Council's current contracts expire on Monday, 31st March 2025. Out of contract energy prices significantly exceed contract prices and do not represent good value to the Council and its residents. Therefore, a new procurement strategy and new contracts are required to be in place from Tuesday, 1st April 2025.

5. **ALTERNATIVE OPTIONS CONSIDERED:**

1. Option 1: Do nothing
2. Option 2: Deliver the supplies, services, and/or works in-house (make/buy decision)
3. Option 3: Undertake a full regulated procurement process, advertised to the market
4. Option 4: Procure using a compliant framework or Dynamic Purchasing System (DPS), using a mini competition - **This option is highly recommended**
5. Option 5: Procure using a compliant framework, using a direct award
6. Option 6: Procurement via generators

6. **CONFLICTS OF INTEREST DECLARED AND DISPENSATIONS GRANTED:**

None

Date of Decision
08 August 2024