Item No.	Classification: Open	Date: 18 March 2011	Decision Taker: Cabinet Member for Transport, Environment and Recycling
Report title:		Combined Gateway 1 Procurement Strategy Approval and Gateway 2 Contract Award Approval Supply of electricity to quarterly billed sites	
Ward(s) or groups affected:		All wards	
From:		Strategic Director of Environment	

RECOMMENDATIONS

1. That the Cabinet Member for Transport, Environment and Recycling approves the procurement strategy outlined in this report for the supply of electricity to quarterly billed sites.

2. That the Cabinet Member for Transport, Environment and Recycling gives approval not to follow Contract Standing Orders (CSO) requirement to obtain at least five tenders following a publically advertised competitive tendering process (CSO 5.4).

3. That the Cabinet Member for Transport, Environment and Recycling approves the award of contract to EdF at the rates described in the closed report for a period of three years from 01/04/2011-31/03/2014 with an estimated annual contract value of £4.37 m.

BACKGROUND INFORMATION

4. The estimated annual cost of contract is expected to be £4.37m. It is recommended that the contract is awarded for a period of three years giving a potential total contract value of up to £13.1m.

Justification for the procurement

5. This contract covers the supply of electricity to quarterly billed sites. The supplies on this contract are the lowest electricity consuming sites. There are 3,437 individual supply accounts currently on this contract. The majority of these accounts are for landlord electricity supplies (e.g. stairway lighting) to housing estates. However, the contract also includes a wide range of other supplies, from primary schools and small municipal offices to market stall supplies at East Street.

6. The current contract is with EdF and expires on 31/03/11.

Market considerations

7. The wholesale price of electricity comprises around 70% of the total cost of electricity paid by customers. The remaining 30% is made up of charges fixed by the electricity regulator (for electricity transportation and distribution), billing, administration and supplier profit.

8. The UK wholesale electricity market is very volatile and prices are fixed by traders on a half-hourly basis. Since the previous contract was settled in March 2010, with a price fixed from April 2009, average UK wholesale electricity prices have risen by over 30%. This volatility means that it is impossible to accurately predict future energy prices. However market analysis by our advisers at LASER (a non-profit making organisation managed by Kent County Council's Commercial Services Department) anticipates that electricity costs will continue to rise by over 25% in the next three years.

Summary of the business case

9. This contract is a re-negotiation for an existing requirement for electricity supplies to quarterly billed sites.

10. From the initial deregulation of the utility markets, the Council has tendered for electricity and gas supplies through a third party agent, LASER.

11. Quarterly billed electricity supplies were the last category of supply to be opened to competition in 1999. However, unlike the Council's other electricity supply contracts, the quarterly billed sites contract has always been negotiated with the incumbent regional supplier (EdF) rather than tendered. Individual invoices are sent to each site. Given that the Council currently does not have a schedule of supplies with sufficient information (as set out in paragraph 13) to aggregate the supplies into a single contract, the agreement with the supplier can be considered as a collection of individual supply contracts, none with a value in excess of £20,000 in the current contract.

12. To tender electricity supplies, customers must have a minimum set of accurate data including:

    - Supply and billing addresses
    - Unique meter point administration number
    - Annual electricity consumption

13. Historically the Council has had no central database or collection of energy billing data. While this information is being established through a number of data improvement projects, sufficient information is not yet available for a full tender exercise. In addition, a tendered route for a large number of low volume sites is likely to be of worse value than a negotiated route. The ongoing data gathering work and the likely poor value of a fully tendered route for these sites is explored further below.

Data gathering

14. For all other energy contracts the Council has tendered via LASER, the supplier sends invoices electronically to LASER who in turn invoice the Council. This process allows LASER to provide additional services such as basic invoice checking, and to recover their service charge. The Energy Team (within the Environment department) have established an energy management database and receive electronic copies of all energy invoices sent via LASER.

15. However, the quarterly billed accounts are billed directly from the supplier (EdF) to the Council and individual paper bills are sent to the respective business units for processing. This is because the relative costs for LASER to receive and process the bills, and then to invoice the Council would be prohibitive for 3,437 small accounts. The only set of data available to the Council is currently that held by EdF. While this data set does contain some of the information required for a full tender exercise, it is incomplete and is known to contain significant errors including incorrect address and consumption data. For example, some 200 accounts have no consumption information available at all.

16. Around 2,700 (of the total 3,437) accounts are landlord's supplies for housing estates (e.g. staircase lighting and other shared services). Over the past 18 months the Council has undertaken a detailed survey of these supplies. The survey was completed by the end of February 2010. However a total number of 161 queries were raised through the survey and passed on to EdF to be investigated. These included supplies that were no longer in use, wrong meter numbers, and meters that Southwark own, but are not on a contract schedule. Southwark Council met with EdF in September 2010 to raise these queries, and they are currently under investigation by EdF. Supplies are being removed from the schedule where our surveyor has shown there is no longer a supply present and this work is on-going.

17. Initial recommendations of the survey were that a one-off survey will not meet the longer term objectives of the Council to control and properly allocate the electricity costs. The majority of billed charges are based on estimated consumption, and while a meter reading has been taken at each survey visit, subsequent readings need to be taken to assess annual consumption levels. Housing management have therefore implemented a procedure to ensure that these electricity supplies are monitored effectively, with Area Housing offices taking responsibility for those meters in their individual areas. These readings will be sent to EdF on a quarterly basis to ensure accurate billing.

18. There is a further urgent need for the Council to identify and gather accurate data for these accounts with the introduction of the Carbon Reduction Commitment (CRC) from 2011/12. The CRC is a mandatory carbon trading scheme which will require the Council to report the carbon emissions resulting from electricity and gas consumption in all Council operational sites, including all schools and academies. It is a legal requirement to collect this data and there are significant fines for non-compliance. This will require the Council to report actual electricity consumption across these sites. Where figures are based on estimated readings, an automatic uplift of 10% will be applied to the consumption figure. In July of 2011, the Council must compile a "Footprint Report" for the financial year 2010/11 which identifies all electricity and gas supplies (to operational sites, schools and academies) and reports the annual consumption. To avoid uplift charges on CRC for the larger sites on this contract, the energy team is looking

to install Automatic Readers to some supplies, so that an actual reading is sent half hourly for monitoring and billing purposes, thus reducing the reliance on staff to read meters manually.

19. In common with other local authorities, the Council is in the uncomfortable position of having to make the economic choice to accept the 10% uplift on some supplies. This is due to the large number of very small supplies in the Council's widely dispersed estate. Based on a cost analysis, the energy team will make recommendations for each supply as to whether it would prove more costly to install automatic meter readers, send staff out to read meters manually, or to simply accept the 10% uplift for that particular supply. Alongside LASER, the Local Government Group and London Council's Energy Project, the Council is lobbying the government to remove the unusual situation where the rational choice is to accept an up-lift.

20. With this data collection process in progress, the Council is not yet in a position to tender the quarterly billed supplies. As the data collection exercise progresses, the Council will have the option of issuing a tender.

Value for money of tendered route

21. The Council must evaluate whether best value will be achieved through competitive tender rather than negotiation as the procurement costs of tendering are significantly higher for a large number of low consuming sites than for a smaller number of high consuming sites.

22. If these sites were fully tendered, a flexible price contract would be expected to be recommended as the best value way to approach to procurement. For this procurement route, only two flexible buying routes are available to Southwark and recommended as best practice by central government: LASER, and Buying Solutions.

23. Buying Solutions does offer such a contract and procurement costs (for quarterly billed supplies) are currently £24 per meter per year.

24. LASER have not in the past offered flexible price contracts for the quarterly billed sites as in their view the ongoing management costs would be too high

25. LASER also offers to negotiate a quarterly billed contract directly with EdF on behalf of local authorities. LASER's charge for negotiating the quarterly billed contract is set at a rate of £8 per meter per year. The relative costs of these options are described below.

Proposed procurement route

26. The proposed procurement route is therefore a single supplier negotiation with EdF through the Council's agent, LASER.

27. The alternative route of negotiating a flexible tendered contract is not available as insufficient data is in place. In addition, a flexible tendered contract would be likely to result in high procurement and administrative costs with a low likelihood of decreased energy costs.

Options for procurement including procurement approach

OPTION 1: Do nothing

28. It should be highlighted that the alternative option of “doing nothing” should be ruled out as in this case the quarterly sites would be billed at EdF’s current ‘off contract’ prices which are more than twice the price of the existing contract rates.

OPTION 2: Use LASER or Buying Solutions to negotiate a flexible tendered contract

29. This option is unlikely to offer good value because the high volume of small sites involved in this contract makes the high per-year-per-site cost charged by the available buying consortium and framework. These flexible contracts offer best value for high value sites where there are a low number of meters.

30. LASER expect to offer a flexible price contract for quarterly billed sites in future procurement rounds. LASER are expecting to charge £22 per site for this service. Buying Solutions currently offer this service at £24 per site. The procurement costs comparison is therefore:

Procurement method	**Procurement cost**	**% of annual contract cost**
LASER negotiated	£27,496	0.6%
LASER flexible tendered (not currently available)	£75,614	1.7%
Buying Solutions flexible tendered	£82,488	1.9%

31. If the Buying Solutions, flexible contract is likely to achieve a greater overall reduction than 1.3% over the negotiated route (the difference between the procurement costs of each route as a percentage of the total contract cost) then this option would be recommended for those sites where the collection and validation of the quarterly supply data is complete. This scale of saving is considered unlikely as generally a full tender process will reveal only a small number of suppliers (historically one or two) actually interested in obtaining the contract due to the nature of numerous supplies at a small value, which are of low potential profitability for the supplier. The small number of potential suppliers and the domination of prices by the wholesale price and fixed charges mean that suppliers are unlikely to make price offers differing by more than 1-2% between each other.

32. If the outcome of a tender process recommended a different supplier to the one already in place, the Council would have a one-off additional administrative burden to move from the historic incumbent supplier to a new supplier.

OPTION 3: Adopt the single supplier approach

33. This option is the preferred approach as it offers the best value for money in terms of reduced procurement costs of £8 per site making an annual procurement cost of £27,496.

34. The ability to negotiate a fixed price contract for up to three years will also protect sites in this contract from the expected considerable increase in electricity prices during that period.

35. As LASER is able to offer a negotiated tariff with low procurement costs, during negotiation in a time of rising energy prices, it has been prudent to retain the option of negotiating a longer term contract than the previously agreed one year. In the current market where all advice is that energy prices will rise significantly over the coming years, the Council has concluded that a three year fixed price contract is the best value solution to give budget certainty and minimise energy costs. The alternative approach for minimising exposure to high prices is to adopt a flexible procurement contract but as noted, adopting flexible tendered rounds in the future when data is available would result in high procurement costs - LASER expect their new procurement route to result in a per site annual cost of £22 at total cost of £75,614 per year. Securing the £8 per site rate for three years rather than £22 per site likely for the future avoids cost increases of £48,118 per year which would otherwise be incurred. This is likely to be a significantly higher cost that than possible marginal saving in the unit cost of a fully tendered route (which is likely to be eliminated by rising electricity costs in any case, as described above).

36. The Council has therefore requested LASER to negotiate unit rates for the quarterly billed electricity sites with EdF. These rates will be fixed for a contract period of three years.

PROCUREMENT APPROACH

37. LASER negotiate discounted tariff rates on behalf of London and south east public authorities with EdF (the incumbent monopoly 'regional supplier' before this market was open to competition). LASER have negotiated a new tariff rate fixed until the end of the contract period. LASER recover their charges for negotiating rates directly from EdF who pass on this charge (£8 per account per year) to each customer via their electricity invoices. The customer enters into a contract with EdF and not with LASER.

Identified risks and how they will be managed

38. Electricity wholesale prices are highly volatile and market prices are set on a half-hourly basis. Suppliers typically only hold price offers valid for a few hours. Because of the market volatility the greatest risk is deciding when to request negotiated prices offers. LASER make use of external market analysis Cornwall Consulting to advise clients on the optimum time to request prices. Fixing the price raises the risk that electricity prices will fall during the contract period meaning that the Council could have obtained better unit rates through flexible contracts and contracts negotiated later. However, market advice from LASER is that this is unlikely as energy prices are expected to continue to rise across the contract period.

39. Following correspondence on day-to-day variations to the current contract, the incumbent supplier, EdF, asserts that they have concluded a new negotiation and that a new contract is in place between themselves and the Council with prices fixed in December 2010. Legal advice has been sought, and it is the Council's view that no contract for the period post April 2011 exists. Correspondence to this effect has been sent to EdF. Legal advice has been that negotiations for agreeing the contract terms post April 2011 should continue whilst this issue is resolved. A revised offer has now been made based on the December price offer. This represents good value to the Council as prices have continued to rise significantly during the period.

KEY ISSUES FOR CONSIDERATION

Key /Non Key decisions

40. This decision is key decision due to the value of the contract.

Policy implications

41. There are no specific policy implications.

Tender Process

42. LASER negotiate discounted tariff rates on behalf of London public authorities with EdF (the incumbent monopoly ‘regional supplier’ before this market was open to competition). The tariff rates currently on offer were fixed in December 2010. The tariff rates are shown in the closed report and are offered for a fixed period 01/04/2011-31/03/2014. Since these prices were agreed, expectations of continued significant price rises has continued, and the Council is advised by LASER that this three year fixed rate is extremely competitive. The customer enters in to a contract with EdF and not LASER.

Procurement project plan (Key decisions)

43. The arrangement for this contract is to procure through a public sector consortium to minimise risk and achieve best value. During preliminary discussions, it was established as described above that best value will be achieved through a three year contract arrangement. In addition, expectations of the cost per unit of electricity has increased significantly over the period. The potential contract value has therefore increased beyond the limit for normal individual decision making by the lead cabinet member, and a decision is required from the cabinet (CSO 4.5).

44. However, in this volatile market, prices change rapidly and so to achieve best value, the contract must be agreed through a short decision making process where possible once the EdF has agreed with the Council that the prices on offer remain valid. In the specific circumstances of this contract (as described in paragraph 39), the Council has remained in negotiation with EdF until late in the contract process and the required decision making date has remained uncertain. In order to retain flexibility in decision making date, a notice of variation has been sought from the leader to delegate this decision to the Cabinet Member for Transport, Environment and Recycling Cabinet as permitted in the Local Government and Public Involvement in Health Act 2007.

45. The prices and contract details outlined in this report have been agreed by EdF but due to continuing uncertainty in the energy market, a considerable risk remains that the agreement will be withdrawn and the supplier has issued a deadline of 25.03.11 for the agreement to be concluded.

46. If the contract is allowed to lapse, the relevant sites would be billed at EdF's prevailing ‘off contract’ tariff which are more than twice the price of the current negotiated rates.

47. Therefore, urgent implementation has been requested.

48. The report was originally listed on the Council’s Forward Plan for GW1 decision in February and GW2 decision in March by the Cabinet Member for Transport, Environment and Recycling. As the report was progressed, advice concluded that the report was better described as a combined gateway 1 procurement strategy approval and gateway 2 contract award approval as the effect of agreeing the procurement strategy is to also approve the award of contract. The report is therefore incorrectly listed on the forward plan. This point is addressed in the Notification of Decision for Urgent Implementation documentation which in this case replaces a notice of general exception.

Activity	**Complete by:**
Forward Plan (if Strategic Procurement) *Note – subsequent change to vfm approach changed decision maker and nature of decision as described above*	01/12/2010
DCRB/CCRB/CMT Review Gateway 1/2: Procurement Strategy Approval and Contract award report DCRB CCRB	 04/03/2011 10/03/2011
Notification of forthcoming decision (five clear working days)	18/03/2011
Approval of Gateway 1/2: Contract Award Report	25/03/2011
Scrutiny Call-in period and notification of implementation of Gateway 2 decision *Note: You should allow a minimum of 8 clear working days. This is subject to the decision not being called-in. If the decision is called-in the timetable will need to be adjusted accordingly.*	Urgent implementation will be sought as prices offered are only held for a limited time period
Alcatel Standstill Period (if applicable)	Not applicable
Contract award	25/03/2011
Contract start	01/04/2011
Contract completion date	31/03/2014

TUPE implications (if no TUPE implications write ‘not applicable’)

49. Not applicable

Development of the tender documentation

50. LASER has requested the current supplier to offer ‘discounted tariff’ prices which have been evaluated against the current best available data set of the Council’s quarterly billed sites.

Advertising the contract

51. As this contract was be negotiated with a single supplier no advert has been placed.

Evaluation

52. LASER study energy markets to determine trends and are advised by independent energy consultants on predicted increases that may be seen on forthcoming contracts due to rises in the wholesale electricity price. Therefore to secure the best available prices for these sites the Council has engaged LASER to re-negotiate discounts on the standard tariff rates offered by EDF on behalf of the Council.

Community impact statement

53. This contract includes electricity for landlords supplies to housing estates (e.g. stairwell lighting). While these electricity costs represent a very small proportion of the overall service charges to tenants and leaseholders, this procurement route is recommended to achieve the lowest electricity prices.

Sustainability considerations

54. Suppliers can offer prices for electricity generated via renewable energy sources (‘green’ electricity). However, it is not recommended that the Council opt for such green supplies if these cost more than the lowest standard electricity offers. The CO2 savings from these green supplies are already accounted for in the UK electricity grid mix and the Council can therefore not claim to achieve further CO2 emissions reductions through such contracts. It should also be highlighted that the Council cannot claim zero CO2 emissions for any such “green tariff” electricity supplies to Council operations reported under the CRC or other reporting arrangements.

Economic considerations

55. The successful tenderer is a private organisation with over 500 employees operating on a international scale. Due to the nature of the energy supply market requirements for suppliers to support local employment would be inappropriate.

Social considerations

56. There are no specific social considerations

Plans for the monitoring and management of the contract

57. Client departments are responsible for payment and monitoring of their own invoices. The Energy Team within Environment & Housing will act as a single point of contact with the supplier to resolve any outstanding queries

Financial Implications

58. It is estimated that there will be an average increase of 38% in costs to individual sites compared to the current contract costs. The cost is based on the previous year's annual consumption which is broadly in line with the average expected. Change of usage during the extension period would increase or decrease contract costs accordingly. Based on current consumption levels, the predicted annual costs for budget categories are shown in table 1 below.

59. Although the previous contract was agreed for one year from 1 April 2010, it was arranged through a framework which fixed prices from 1 April 2009 and therefore there was a 0% increase during the last year. This one off increase of 38% should therefore be understood in the context of 0% increase for 2010/11 and a fixed rate through 2011/12-2013/14. It should also be noted that the prices agreed in 2009 were at a market low point as a result of the global economic downturn and other economic factors affecting the global and national energy prices. Prices are now expected to continue to rise sharply in response to returning economic growth and recent events in the middle east will continue to apply pressure to global energy markets.

60. Officers from the corporate and housing finance function are assessing the impact of price rises and actual costs against budgets and inflation assumptions over past and future years. During the three year fixed price period, it will be important to ensure that inflation continues to be built into all energy budgets in line with market intelligence in order to mitigate the risk of a substantial rise in costs when this contract expires.

61. It should be emphasised that the costs in table 1 are based on the consumption figures provided in the EdF data set (discussed in paragraph 13) and should be treated as estimates. In addition, without properly validated address and billing details it is difficult to allocate expected costs to budget holders, hence the distribution of expected cost should also be treated with caution. The costs are inclusive of LASER's service charges as set out in paragraph 33. Finally, some increase in the overall figures is attributable to supplies being brought into the corporate contract rather than simply inflationary increases in the overall cost. These supplies will now benefit from the preferential rates achieved through this contract.

Table 1

Budget	Current annual cost (fixed from 2009/10)	Predicted annual costs for 2011/12-13/14	Increase from current
HRA	£2,561,097	£3,494,387	£933,290
General fund	£379,421	£451,656	£72,235
Schools	£221,329	£428,665	£207,336
Total	**£3,161,847**	**£4,374,708**	**£1,212,861**

Staffing Implications

62. There are no specific staffing implications.

Legal Implications

63. Please refer to comments of the Strategic Director of Communities Law and Governance in 65.

Consultation

64. As in the proposed contract no supply is likely to result in a charge of more than £100 per year for any individual leaseholder it will not be subject to section twenty consultations with leaseholders.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (SB032011)

65. The Cabinet Member for Transport, Environment and Recycling is asked to approve the procurement strategy and contract award in respect of the supply of electricity to quarterly billed sites, as noted in paragraph 3. Whilst the value of this contract would ordinarily require the approval to be agreed by the Cabinet, the Cabinet Member is advised that authority is given to him to approve these decisions by virtue of a delegation of the decision by the Leader.

66. As noted in paragraph 39, it is EDF's view that a contract for these supplies already exists. Advice has been given by officers from Legal Services, whose view is that there is not a binding contract between the parties for supply post April 2011. Confirmation of this has been sent to EDF, who have agreed that a revised offer is now in place for acceptance following approval of this decision.

67. Contract Standing Order 2.8 requires that no contract may be awarded unless the expenditure has been approved. Paragraphs 58-61 confirms the financial implications of the award.'

Finance Director

68. This report asks that the Cabinet Member for Transport, Environment and Recycling approves the procurement strategy for the supply of electricity to quarterly billed sites. This contract covers three service areas that have individual funding and budgeting requirements, each are dealt with separately below.

Housing Revenue Account

69. This contract accounts for nearly 80% of the HRA's annual electricity requirement for communal and estate lighting. Energy prices are extremely volatile and the new contract prices are estimated to be between 30% - 40% higher than the existing contract, albeit fixed for three years to 2014. As part of HRA budget setting for 2011/12, tenant service charges were rebased to align them with actual costs and a modest inflationary factor was built in based on prevailing market intelligence at that time. The indicative cost analysis above shows expected budget pressure of c. £0.9m against the existing base budget, which is only partly mitigated through the increase in the estate lighting service charge made to tenants for 2011/12. In the event of a shortfall, this would fall to the wider HRA budget in the first year and be reflected in the annual rebasing of tenant service charges for subsequent years. Leaseholders are charged on an

actual cost basis; therefore any price increase will be fully recovered through their annual service charge.

General Fund

70. The general fund element of this contract is relatively small in comparison with both the total general fund electricity costs, and the total predicted annual costs of this contract. The contract covers some 22% of total general fund electricity costs, the majority of general fund sites are included in the large sites contract which has a separate renewal date.

80. The table in paragraph 61 shows a predicted increase of 19% over the 2009/10 based current cost. Electricity budgets have been inflated by market indexation throughout the fixed price term of this contract and this will practice will continue through the forthcoming contract period.

Schools

81. Schools budgets have not been inflated in 2011-12; therefore, this increase in energy prices will be a cost pressure to schools. Schools are currently setting their budgets for 2011-12 and therefore, it is important that they are made aware of this increase as soon as possible to support effective financial planning.

Head of Procurement

82. With an estimated total value of £13.1m, this procurement would normally be deemed to meet the criteria of an EU general procurement requiring that all reasonable steps are taken to obtain at least five tenders following a publicly advertised competitive tendering process.

83. However, the report advises that this amount is actually made up of a significant number of individual contracts most of which are of low value and none of which exceed £20,000.

84. The Council is currently unable to go to the open market as it does not have the specific schedule of supplies or energy billing data requirements at this time, approval is hereby being sought to enter into single supplier negotiations with EDF, the incumbent supplier, for a further three year period via LASER, a third party agent. The use of LASER is one of only two recommended best practice options available to the Council and provides better value for money than the Buying Solutions alternative.

85. The report confirms that due to the volatile nature of this commodity, the timing of the request for prices is crucial. Current prices available were fixed in December 2010and are only available until end March 2011. LASER advise that the option of a three year fixed rate contract is competitive particularly with expectations of further prices increases.

86. It is noted that as part of the process, the Council must agree the contract through a foreshortened decision making process. Were the contract is to lapse, the relevant sites would be billed at off-contract rates which are more than twice the price of the current negotiated rates.

REASONS FOR URGENCY

87. The electricity market is highly volatile with wholesale prices being fixed on a daily basis. It is therefore in the nature of electricity markets that price offers remain valid for a very limited period. The procurement strategy described for this contract is that prices have been finalised with a single supplier, EdF. This supplier has submitted a schedule of tariff prices to apply to the supplies on the contract and the Council has remained in negotiations with EdF late in the contracting process. The prices and contract details outlined in this report have been agreed by EdF but due to continuing uncertainty in the energy market, a considerable risk remains that the agreement will be withdrawn and the supplier has issued a deadline of 25.03.11. Therefore, urgent implementation has been requested.

88. If the contract is allowed to lapse, the relevant sites would be billed at EdF's prevailing 'off contract' tariff which are more than twice the price of the current negotiated rates. Given recent rises in the market price of electricity, negotiating new contract rates with EdF at this time is likely to result in significantly increased contract costs.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
n/a		

APPENDICES

No:	Title :
Appendix 1	Contract Register Update

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director of Environment		
Report Author	Ian Smith, Head of Sustainable Services		
Version	Final		
Dated	15 March 2011		
Key Decision?	Yes	**If yes, date appeared on forward plan**	December 2010
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	**Comments Sought**	**Comments included**	
Strategic Director of Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
Head of Procurement	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Officer		17 March 2011	

APPENDIX 1

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE

MANDATORY: Please complete the following details:

Contract Name	Supply of electricity to quarterly billed sites
Contract Description	As above
Fixed Price or Call Off	Fixed Price
Contract Lead Officer (name)	Robin Rogers
Contract Lead Officer (phone number)	55179
Department	Environment
Division	Sustainable Services
Business Unit	Energy Team
Estimated Contract Award Date	24/03/2011
Supplier Name	EDF Energy
Contract Total Value	£13.1m
Contract Annual Value	£4.37
Contract Start Date	01/04/2011
Contract Review Date – 18 months before initial contract end date	1/10/12
Initial Contract End Date	31/03/2014
Contract End Date if extension options utilised	N/A
Number of Contract Extensions	N/A

OPTIONAL: If available, please complete the following details:

Services/Supplies/Works Contract – delete as appropriate. EU CPV Code – if appropriate and available	Not Available
SAP Vendor Number	