

BRIEFING NOTE

Procurement Briefing Note for Re-Procurement of 2023 Utilities Contracts (Gas & Electricity)

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For: Rochdale/Stockport/Tameside/Trafford Councils

1. Current Situation and Outline of Proposed Requirement

This briefing note is to outline eEnergy as the proposed route to market for the collaborative 2023 re-procurement of the following Utilities contracts:

- Rochdale Council = Streetlighting, Non Half-Hourly (NHH), Half Hourly (HH) and Gas
- Tameside Council = Streetlighting, NHH, HH and Gas
- Trafford Council = Streetlighting, NHH, HH and Gas
- Stockport Council = Streetlighting and HH

The above contracts are all aligned, with an expiry date of 31/03/2023.

STAR has identified eEnergy as the proposed route to market to deliver the re-procurement on the above contracts.

2. Identification of Options

Option Number	Description of Option
1	eEnergy Dynamic Purchasing System
2	Yorkshire Purchasing Organisation (YPO) East Shires Purchasing Organisation (ESPO) Crown Commercial Services (CCS)

3. Reasons for Proposal of eEnergy:

Seventeen pre-approved suppliers form part of the eEnergy dynamic purchasing system to ensure a competitive process is facilitated, undertaken through a live reverse auction.

YPO/ESPO/CCS are single supplier frameworks therefore a further competition process cannot be undertaken.

YPO have this week announced that the sole supplier Npower are no longer providing prices for new business, until further notice. Seventeen suppliers on the eEnergy framework reduces the risk of not receiving any quotes.

eEnergy will facilitate a workshop with all participating councils to understand, develop and agree on a risk strategy. eEnergy will create a flexible strategy that is tailored to the councils. They can offer fully fixed and flexible options with a price cap if the energy market hits a certain level. Contracts can be fixed at any point during the contract.

YPO/ESPO/CCS do not conduct a risk workshop and if entering a flexible contract, their strategy is pre-set and fixed.

Energy volume management will be conducted by eEnergy via reforecasting and will protect the councils against volume fluctuations throughout the contract. This will be critical in the future as councils (including schools and leisure facilities) may need to take extreme actions to reduce consumption. The councils also have ambitious decarbonisation plans (net zero carbon 2038).

There is full access to eEnergy dedicated online portal for immediate access to data, performance, and market reports.

eEnergy provide data risk management which creates a meter level asset database to keep all meters on contracts, and remove any disposed sites/meters in a timely fashion to ensure each council only pays for what they use.

eEnergy provide a fully managed service that covers;

- Maintaining records of all energy suppliers, MPANs/MPRs and energy contracts
- Bill validation and dispute resolution with monthly reporting to manage debt
- Assigned a highly experience and fully dedicated Account Director who is supported by a team of consultants and analysts. The Account Director will be the designated point of contact

- Host periodic calls/meetings to review performance of the strategy. New meter connections and disconnections
- For any meter addition or removal requests, eEnergy will follow the change of tenancy (COT) procedure with the energy supplier
- Ensuring terminations are issued for both group contracts and all meter additions
- Current reports to be included (see below table)

Report	Description	Included / Excluded
Wholesale energy market monthly reports	Wholesale energy market reports, market intelligence and ad-hoc compliance updates.	Included
Annual consumption and emissions report	Report the office/commercial buildings utilities usage and carbon emissions annually.	Included
Budget Cost Report (Annual)	Creating the meter-level cost forecast for each calendar month for all meters in Appendix A and months included in the duration of this agreement	Included
Bill validation	Follow up incorrect bills with the supplier and claiming back credits where appropriate.	Included
Periodic maximum demand versus ASC reports	Comparing actual electricity usage versus agreed supply capacity (between the client and the distribution network operator)	Included

4. Extreme Market Condition

Under normal market conditions multiple frameworks are engaged to provide prices around six to nine months, prior to finalising prices closer to the contract end date (March 2023). Unfortunately, over the last three months this has not been possible due to the severe market conditions.

eEnergy have actively engaged with STAR and the councils to provide expert advice and support through this period, free of charge.

5. Next steps

- Seek cabinet approval to go out to procure and request delegated authority to a senior officer of the council, to enter into a contract
- All councils to agree to use eEnergy as a route to market
- Run a risk workshop with eEnergy to develop and agree a strategy
- Sign a consultancy agreement, this is currently with STAR legal
- Sign a call off agreement
- Run a reverse auction