

Report to Cabinet
13 June 2018
Report of Director of business services
Subject Procurement of Gas supplies for Norwich City Council sites contract

Item

11

KEY DECISION

Purpose

To advise cabinet of the procurement of gas supplies for Norwich City Council sites and to seek approval to award the contract.

Recommendations

To approve the award of the gas supplies for Norwich City Council sites contract to Total Gas and Power Ltd for the next four years (commencing 01/04/2019).

Corporate and service priorities

The report helps to meet the corporate priority a safe, clean and low carbon city.

Financial implications

The costs arising from this decision will be met from approved budgetary provision within both the Housing Revenue Account (£595,000 - 85%) and General funds (£105,000 - 15%) to a value of approximately £700,000.00 in total for each financial year, depending on the rates obtained for the gas product.

Ward/s: Multiple Wards

Cabinet member: Councillor Harris - Deputy leader and social housing

Councillor Kendrick - Resources

Contact officers

Anton Bull, Director Of Business Services 01603 212326

Richard Buckenham, Contracts Officer 01603 212781

Background documents

None

Report

Introduction

1. The council has number of sites within the City that have a gas supply requirement. This report seeks authority to award the contract for these supplies for the following four years.
2. The council has 44 accounts that require gas supplies that are split between Housing sites and a number of council owned sites.
3. The current bulk contract comes to an end on 31 March 2019 but the decision to award is needed significantly earlier to allow the gas product to be purchased throughout the year at the best market prices.
4. The current contract was awarded via an Eastern Shire Purchasing Organisation (ESPO) framework open to local authorities to access. This framework is still considered the best way to obtain value for money gas supplies based on the purchasing power available to ESPO when they undertake their purchasing strategy.
5. The supplier to be awarded the contract under the framework is, **TOTAL GAS and POWER Ltd**, but the actual gas is purchased via the market by ESPO on their behalf.

Risk implications

6. The risk of not using the available ESPO framework would be that the council would be faced with paying current market prices for its gas requirements. These could be considerably higher than those that will be obtained by ESPO using their buying power.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	13 June 2018
Director / Head of service	Anton Bull
Report subject:	Procurement of Gas supplies for Norwich City Council sites contract
Date assessed:	21 March 2018
Description:	Procurement of Gas supplies for Norwich City Council sites contract

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Eastern Shires Purchasing Organisation framework ensures the council achieves value for money for gas provision. An open tendering process was carried out to ensure the supplier selected to provide this service will ensure that best value is achieved.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Unlike electricity there is not currently an opportunity to purchase fully green gas energy.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>1. Risk of challenge from unsuccessful suppliers:</p> <p>The tenders and frameworks have followed a restricted process carried out by ESPO, with award criteria being based on the most economically advantageous tender, there is no risk of challenge from unsuccessful suppliers at this stage.</p> <p>2. Risk of supplier failure:</p> <p>There is a risk that the appointed suppliers could fail during the life of the contract. This is low risk the supplier is a multi-national company but if it does happen our services would continue to be provided. In addition the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that this contract is planned in nature.</p>

Recommendations from impact assessment	
Positive	
Negative	

Neutral
Issues