

DECISION NO: PCCG-2015-027

OFFICE OF POLICE & CRIME COMMISSIONER

LEAD CHIEF OFFICER:

Nigel Stephens – Assistant Chief Officer - Resources

TITLE:

Provision of Non Half Hourly (NHH) Electricity Supply

DATE:

6 May 2015

TIMING:

Pressing – contracts require urgent signature

PURPOSE:

For Approval

1.

RECOMMENDATION

1.1

To approve and sign the Model Supply Contract with British Gas which was put in place by the Crown Commercial Service (CCS) under Framework Reference RM999 - Provision of Electricity Supply and Ancillary Services in accordance with paragraph 63(c) of the Manual of Governance.

2.

INTRODUCTION & BACKGROUND

2.1

The Welsh Purchasing Consortium (WPC) Energy Team are employed by Rhondda Cynon Taff (RCT) Council but funded by WPC in order to provide support to all WPC Energy Customers. Gwent Police have been a WPC Energy Customer for at least fourteen years.

2.2

WPC liaise with CCS and the suppliers on behalf of Gwent Police as and when required. They also analyse and distribute pricing information, reports and hold user group meetings which Gwent Police can attend.

2.3

The WPC Energy contract is due to move to the National Procurement Service (NPS) in October 2015, although dates and final points have yet to be confirmed. One staff member of the WPC Energy Team will move to NPS to maintain continuity and support to existing customers. CCS will retain the contract until 31 March 2017, at that point future supply will be decided on by NPS who may choose to stay with CCS, or look at alternative options. CCS is the largest wholesale buyer of Energy in the UK.


2.4

WPC has an agreement with CCS to purchase energy on behalf of its customers. The suppliers contracted to provide our energy are listed below, they have gone through a full EU Tendering process run by CCS.


- Gas - Corona
- HH Electric - EDF
- NHH Electric - British Gas

2.5	Organisations sign up to the CCS agreement by agreeing to the Customer Access Agreement (CAA) and Service Level Agreement (SLA). The WPC Energy Team has signed this Customer Access Agreement with CCS on behalf of all members which included Gwent Police.
2.6	Purchasing for the April 2015 baskets is almost complete; the next baskets will be April 2016. CCS defines a “basket” as a particular energy requirement for CCS customers, which could be Non-Half Hourly Electricity fixed or variable, for example. Purchasing for the April 2016 basket will commence 1st October 2015 so any notice to leave would be required in advance of this date, and then Gwent Police sites could then be released from 1st April 2016 onwards.
2.7	Crown Commercial Service implemented a new NHH Electricity Framework (RM999) from 1st October 2014 and due to this now being in place an updated Model Contract with updated terms and conditions is required to be signed. This new Model Contract has been written by Crown Commercial Service for their customers to sign with Suppliers as part of their OJEU tender notice and process. The previous Model Contract that Gwent Police signed related to the previous Crown Commercial Service framework RM550 that expired on 30th September 2014.
2.8	In order to ensure compliance with the Framework Agreement, it is a requirement that Gwent Police sign the new Model contract. It should be noted that the supplier has sent a request for this contract to be signed electronically.
3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	We continue to utilise British Gas for our NHH electricity requirements and we are taking advantage of rates obtained due to our commitment to energy purchasing rounds as part of our affiliation to the WPC Energy team. However there is a requirement that we have a contractual relationship direct with the supplier British Gas in order to be eligible for these rates as stated under the framework agreement. If we do not sign this contract then the supplier is within its right to put us on deemed rates for our electricity supply, which would increase the cost to the Force.
4.	<u>NEXT STEPS</u>
4.1	On approval of the report, and signature of the Model Supply contract relating to the supply of electricity, Gwent Police would have fulfilled its obligations under the framework agreement, and can continue to benefit from agreed rates purchased on its behalf by CCS.

5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	Spend with British Gas on electricity was £220,599 in financial year 13/14. The budget for electricity for Gwent Police as a whole (which we currently spend with EDF Energy and British Gas) for the F/Y 14/15 is £573,485.
5.2	An overview of how utilisation of the CCS framework ensures the best value for the Force can be seen in Annex 1 – Energy Explained.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	As part of this contract there will be no internal staffing/personnel implications above and beyond the normal requirements of the current service provided to the Commissioner.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	The CCS Framework RM999 was awarded as a result of a competitively tendered OJEU compliant framework.
7.2	The relationship between the customer, CCS and the supplier is a tri-partite arrangement consisting of a Framework Agreement, Model Contract and Customer Access Agreement, however as Gwent Police are represented as the customer by the WPC Energy team, it was the WPC Energy team that signed the Customer Access Agreement on behalf of Gwent Police. It is however a requirement that Gwent Police signs a contract directly with British Gas in order to comply with the terms of the framework agreement.
7.3	The Model Supply Contract has been fully reviewed and appears fair to both parties. It should also be noted that as this is a model contract, there would be no scope to amend.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This project/proposal has been considered against the general duty to promote equality, as stipulated under the Single Equality Scheme and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
9.	<u>RISK</u>
9.1	There is minimal risk to Gwent Police in signing this model supply contract with British Gas. British Gas is a reputable supplier of electricity with sufficient experience and financial stability that has competitively tendered and been awarded the single supplier for the CCS framework for the Provision of Electricity Supply and Ancillary Services.

9.2	Gwent Police is a member of the WPC Energy Team who co-ordinates and leads on the purchasing of Electricity through the CCS framework on behalf of Gwent Police, in order to ensure best value for money.
9.3	There is a risk to Gwent Police if the Model Supply Contract is not signed, as Gwent Police would not be complying with the terms of the framework agreement.
10.	<u>PUBLIC INTEREST</u>
10.1	Following approval of this report by the OPCC, this document will be made available to the Public.
11.	<u>CONTACT OFFICER</u>
11.1	Natalie Noble, Senior Procurement Officer.
12.	ANNEXES
12.1	Annex 1 – Energy Explained –  Annex 1 - CCS Energy Explained.pdf

For OPCC use only

Office of the Chief Constable I confirm that Provision of Non Half Hourly (NHH) Electricity Supply report has been approved by the Assistant Chief Officer - Resources. It is now forwarded to the OPCC for approval .	
Signature: 	
Date: 7 May 2015	
	Tick to confirm (if applicable)
Financial The Chief Finance Officer has been consulted on this proposal.	✓
OPCC (insert name) The Chief Executive has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	✓
Legal The legal team have been consulted on this proposal.	N/A
Equalities The Equalities Officer has been consulted on this proposal.	N/A
Chief Executive/ Deputy Chief Executive: I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.	
Signature: 	
Date: 07/05/15	
Police and Crime Commissioner for Gwent I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. The above request has my approval.	
Signature: 	
Date: 07/05/15	