

Report Title: **The Provision of Natural Gas and Additional Services to Alexandra Parks and Palace Charitable Trust**

Report of: **Emma Dagnes, Deputy Chief Executive, Alexandra Parks and Palace Charitable Trust**

1. Purpose

1.1 To recommend the award of contract for the provision of Natural Gas and Additional Services at Alexandra Palace and Park.

2. Recommendations

2.1 That the Board approve the award of contract to Corona Energy Retail 4 Limited, for a three year contract, at an estimated cost of £780,000.

2.2 To authorise the London Borough of Haringey's Head of Legal Services to seal the contract.

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3. Executive Summary

3.1 The recommendation is to award the contract to Corona Energy Retail 4 Limited

3.2 To ensure best value to the Trust and compliance with the Public Contract Regulations 2015, the contract was procured through the use of the Crown Commercial Service framework RM897 Framework Agreement for the provision of Natural Gas Supply (Non-Daily Metered) and Additional Services

3.3 The Board are therefore requested to approve the award of contract on the basis that this tender represents the overall best value to The Trust and is within the allocated cost plan for the project.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 Not Applicable

5. Local Government (Access to Information) Act 1985

5.1 N/A

6. Background

- 6.1 Alexandra Park and Palace has an ongoing requirement for an essential supply of gas, and this is currently provided by Corona Energy Retail 4 Limited, via the Crown Commercial Services (CCS) Framework.
- 6.2 Gas consumption is around 16,000,000 Kwh per annum. The cost in the previous year was £264,300.84
- 6.2 As the previous contract elapsed in September 2015, it is important to establish a new compliant agreement, and it was agreed to continue using Corona via the CCS Framework as:
 - 6.2.1 Corona have given a satisfactory performance during the course of the contract.
 - 6.2.2 The CCS Framework represents demonstrable value.
 - 6.2.3 Given the trust's limited resources, use of the Framework would avoid the procurement cost of a full OJEU tender exercise.

7. Crown Commercial Service Framework

- 7.1 It was agreed to use the CCS RM897 Framework Agreement for the provision of Natural Gas Supply (Non-Daily Metered) and Additional Services (the "Framework").
- 7.2 This agreement originated with the use of OJEU (Official Journal of the European Union) Notice 2011/S 107-175813 (the "OJEU Notice"), and resulted in the award to Corona Energy Retail 4 Limited ("Corona") as the sole supplier for this service.
- 7.3 As an existing user of the Framework, CCS advised that Alexandra Park and Palace were free to award a new agreement directly with Corona using the model contract with no further engagement with CCS.

8. Legal Implications

- 8.1 The recommendation in the report is to award the contract to Corona by way of a direct call-off from the Framework. Corona is the sole provider on the Framework for this service and therefore can only be appointed by direct call-off.
- 8.2 In order to use a framework established by another contracting authority (in this case CCS) an organisation or the class of organisation must be listed as a contracting authority entitled to use the framework. The OJEU Notice lists Local Authorities as organisations entitled to use the Framework. Therefore

the Assistant Director of Corporate Governance sees no legal reasons preventing the Board from approving the recommendations in the report.

9. Financial Implications

The Council's Chief Finance Officer has been consulted in the preparation of this report and has no further comments.

10. Use of Appendices

None.