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Tender

0942 – Supply of Electricity and Gas utilities to Essex County Council

Essex County Council

F02: Contract notice

Notice identifier: 2022/S 000-006405

Procurement identifier (OCID): ocds-h6vhtk-031f9e

Published 9 March 2022, 9:26am

Section I: Contracting authority

I.1) Name and addresses

Essex County Council

County Hall, Market Road

Chelmsford

CM1 1QH

Contact

Ms Natasha I-Goldsmith

Email

Natasha.I-Goldsmith2@essex.gov.uk

Country

United Kingdom

NUTS code

UKH3 - Essex

Internet address(es)

Main address

<https://www.essex.gov.uk/>

Buyer's address

<https://www.essex.gov.uk/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://procontract.due-north.com/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://procontract.due-north.com/>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

0942 – Supply of Electricity and Gas utilities to Essex County Council

Reference number

DN585854

II.1.2) Main CPV code

- 09000000 - Petroleum products, fuel, electricity and other sources of energy

II.1.3) Type of contract

Supplies

II.1.4) Short description

Essex County Council is responsible for procuring energy for its core estate and infrastructure – this includes circa 250 operational buildings (including offices, libraries, children’s centres, youth and respite centres, country parks), highways, street lighting and other infrastructure. The number of operational buildings is expected to reduce as the Council’s estate rationalisation programme progresses. The Council has a mix of electricity (half hourly and non-half hourly) and gas meters for its sites and infrastructure.

The Council seeks to procure flexible supply contracts for 2 lots – Lot 1 Electricity and Lot 2 Gas and via an Open procedure procurement exercise. Each Lot will be awarded to a single supplier for the contract duration. Each contract will be for an initial term of 3 years (commencing 1st October 2022), with an option to extend for up to a further 3 years, at the Council’s discretion.

Bidders must be Ofgem licensed energy suppliers and are required to offer a flexible supply contract, which encompasses the ability to forward purchase the commodity element via a trading desk using OTC (Over the counter) after the contract has been completed. In addition, bidders for Lot 1 Electricity must: (i) be able to provide sleeving arrangements under which any renewable electricity sourced from off-site renewable generators can potentially be included at an additional cost in the electricity supply contract should the Council choose to do so at a later date; and.

(ii) provide REGO (Renewable Energy Guarantees of Origin) backed renewable energy across the electricity portfolio.

Due to current market volatility, the Council will require Bidders to submit indicative Swing/Shape fees in their pricing schedules. This rate will not form part of the evaluation. Final rates will be agreed with the successful Bidder(s), using their submitted indicative rate as a benchmark.

Bidders must note that, due to the Council’s ongoing estate rationalisation plans, consumption across both Lots is likely to decrease over the life of the contracts.

Annual consumption figures are:

Electricity (NHH and HH):

Number of sites: 317 // Total Annual Consumption: 39,495,720 kWh

Gas:

Number of sites: 114 // Total Annual Consumption: 17,198,184 kWh

Bidders must also note that the contracts are for energy supply only. The Council's bureau and trade desk services are contracted to a third party provider. Therefore, the Council, will from time to time, use its authorised third party provider to manage the supply contracts including, but not limited to, purchases of electricity and gas.

II.1.5) Estimated total value

Value excluding VAT: £50,400,000

II.1.6) Information about lots

This contract is divided into lots: Yes

Tenders may be submitted for all lots

Maximum number of lots that may be awarded to one tenderer: 2

II.2) Description

II.2.1) Title

Electricity supply contract - flexible Purchase, combined non hourly and half hourly

Lot No

1

II.2.2) Additional CPV code(s)

- 09310000 - Electricity

II.2.3) Place of performance

NUTS codes

- UKH3 - Essex

II.2.4) Description of the procurement

The Council is seeking a supplier as described in II.1.4 above in relation to purchasing electricity.

Key selection criteria, in addition to the Selection Questionnaire, include the product specification, fixed costs, REGO, commission, basic trading requirement, default position, day ahead functionality, reforecasting, payment and process service, account management structure (including supplier meetings), site additions/removals, commodity and non-commodity invoicing, adherence to service level agreements, power purchase agreement requirements, electronic billing, pricing submission, T&Cs, web portal access, billing and volume variation on a pass/fail basis. All of these elements must be passed in order for the submission to be considered.

Bids will be assessed on a 60:40 basis for price:quality (of which 5% of the quality score will assess social value) in accordance with the evaluation and award criteria set out in the tender documents. Tenders will be awarded on a most economically advantageous tender basis. All evaluation and award criteria are set out in the tender documents.

Pricing must be broken down into half hourly and non-half hourly rates for the commodity (the cost of the energy itself including production, supply and supplier's margin) and non-commodity charges (including government levies and tax, and transportation and distribution charges).

Quality questions will cover such topics as volume and risk management, invoicing, account management, renewable energy (REGO), environmental sustainability and social value.

Bidders are to note that it is a requirement for the successful suppliers to comply with a service level agreement (which will be included in the tender pack) for the contract duration and must be incorporated into the flexible supply contracts.

Bidders are required to undertake their own due diligence. Any errors must be raised prior to tender submissions and will be clarified by the Authority.

II.2.5) Award criteria

Quality criterion - Name: Qualitative Criteria / Weighting: 35

Quality criterion - Name: Social Value / Weighting: 5

Price - Weighting: 60

II.2.6) Estimated value

Value excluding VAT: £45,600,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Start date

1 October 2022

End date

30 September 2025

This contract is subject to renewal

Yes

Description of renewals

Option to extend for up to a further 3 years, solely at the Council's discretion.

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2) Description

II.2.1) Title

Gas supply contract - flexible Purchase

Lot No

2

II.2.2) Additional CPV code(s)

- 09120000 - Gaseous fuels

II.2.3) Place of performance

NUTS codes

- UKH3 - Essex

II.2.4) Description of the procurement

The Council is seeking a supplier as described in II.1.4 above in relation to purchasing gas. Key selection criteria, in addition to the Selection Questionnaire, include the product specification, pricing submission, T&Cs, fixed costs, commission, basic trading requirement, default position, day ahead functionality, reforecasting, payment and process service, account management structure (including supplier meetings), site additions/removals, commodity and non-commodity invoicing, adherence to SLAs, electronic billing and web portal access, billing and volume variation on a pass/fail basis. All of these elements must be passed in order for the submission to be considered.

Bids will be assessed on a 60:40 basis for price:quality (of which 5% of the quality score will assess social value) in accordance with the evaluation and award criteria set out in the tender documents. Tenders will be awarded on a most economically advantageous tender basis. All evaluation and award criteria are set out in the tender documents.

Pricing will be broken down into appropriate commodity rates for the Supplier (the cost of the energy itself including production, supply and supplier's margin) and non-commodity charges (including government levies and tax, and transportation and distribution charges), as per the pricing schedule.

Quality questions will cover such topics as volume and risk management, invoicing, account management, environmental sustainability and social value.

Bidders are to note that it is a requirement for the successful suppliers to comply with a service level agreement (which will be included in the tender pack) for the contract duration and must be incorporated into the flexible supply contracts.

Bidders are required to undertake their own due diligence. Any errors must be raised prior to tender submissions and will be clarified by the Authority.

II.2.5) Award criteria

Quality criterion - Name: Qualitative Criteria / Weighting: 35

Quality criterion - Name: Social Value / Weighting: 5

Price - Weighting: 60

II.2.6) Estimated value

Value excluding VAT: £4,800,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Start date

1 October 2022

End date

30 September 2025

This contract is subject to renewal

Yes

Description of renewals

Option to extend for up to a further 3 years, solely at the Council's discretion

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

8 April 2022

Local time

12:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Duration in months: 2 (from the date stated for receipt of tender)

IV.2.7) Conditions for opening of tenders

Date

8 April 2022

Local time

12:05pm

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.2) Information about electronic workflows

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

VI.3) Additional information

The Council considers that this contract may be not be suitable for economic operators that are Small or Medium Enterprises (SMEs). However, any selection of tenderers will be based solely on the criteria set out for the procurement.

The estimated values set out in this contract notice for Lot 1 and Lot 2 and in aggregate are based on the Council's forecast spend for electricity and gas purchases in 2022/23 and is not a representation by the Council as to the actual values which may be higher or lower dependent on other factors such as price fluctuations in commodity prices and rationalisation of the Council's estate.

It is anticipated that the Council will enter into contracts for Lot 1 and Lot 2 by May 2022 and will seek to make purchases thereafter for the period from 1 October 2022 onwards as required by the Council. The successful suppliers will facilitate any change of energy supplier as required under the minimum selection criteria.

For this tender the Authority will be using the ProContract (aka Due North) eSourcing portal <https://procontract.due-north.com> throughout the procurement process, and all communications with Essex County Council relating to this procurement exercise must be via the portal's messaging system.

Supplier registration on the portal is free of charge and can be done via:
<https://procontract.due-north.com/>

It is recommended that any bidder not already registered on the ProContract eSourcing portal, register at the earliest opportunity. The Council reserves the right to amend timescales for any reason and change the evaluation criteria where necessary for example if there are genuine omissions or mistakes. We also reserve the right to cancel

the procurement exercise and/or not to award all or part of a contract. The Council will not be responsible for any costs incurred by bidders in relation to this procurement exercise.

Essex County Council is subject to the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR). If a bidder considers that any of this information supplied as part of this procurement exercise should not be disclosed because of its commercial sensitivity, confidentiality or otherwise, it must, when providing this information, identify clearly the specific information it does not wish to be disclosed and specify clearly the reasons for its sensitivity. Essex County Council shall take such statements into consideration in the event that it receives a request pursuant to FOIA and EIR which relates to the information provided by a supplier. However, if the information is requested, Essex County Council may be obliged under FOIA and/or EIR to disclose such information, irrespective of the suppliers wishes. Please note

that it is not sufficient to include a statement of confidentiality encompassing all the information provided in the response.

VI.4) Procedures for review

VI.4.1) Review body

High Court

Royal Courts of Justice, The Strand

London

WC2A 2LL

Telephone

+44 2079476000

Country

United Kingdom

VI.4.2) Body responsible for mediation procedures

High Court

Royal Courts of Justice, The Strand

London

WC2A 2LL

Country

United Kingdom