

Decision taken

Made by an Executive Member or Chief Officer



MANCHESTER
CITY COUNCIL

Notice of Decision Made

Decision maker	Deputy Chief Executive and City Treasurer
Date of decision	6 March 2023
What is the decision?	To extend the contract for the supply of electricity for street lighting for 6 months.
Reasons for the decision (but excluding any exempt or confidential information)	<p>The council requires a new contract for the supply of electricity for street lighting to take effect from 1 April 2023. The decision taken is to extend the current contract with the council's supplier (Drax) for 6 months. The council will commence procurement for a longer-term framework agreement to take effect from October in the meantime.</p> <p>The unprecedented energy market crisis in 2022 prevented that longer-term procurement up to now, when market interest in a new framework was very low (and in the summer 2022, non-existent).</p> <p>As such, we are now seeking a limited extension with the incumbent supplier (Drax), who has provided a high level of service for several years. This will successfully bridge any gaps between contracts to allow Energy Management and Procurement colleagues time to tender a new framework in time for the council's wider electricity contract renewals in October 2023, now that much more stable market conditions have resumed.</p> <p>Suppliers have been consulted and have expressed interest in entering such an arrangement.</p>
Alternatives considered and rejected	<p>The council requires supply from a third party (there is no in-house generation currently). The main alternative to extending with the current supplier is to use an existing framework from a purchasing organisation (for example Yorkshire Purchasing Organisation, Crown Commercial Service) but this had some drawbacks including: lack of availability of short-term contracts, due to current market conditions; difficulties around budget certainty due to variable nature of contracts on offer; and the large administrative burden and potential upheaval involved in potentially changing supplier for such a short time, not just for the councils' own operational portfolio, but for all SLA schools who are contracted directly. As such, it was neither feasible nor preferable to enter into such an arrangement.</p>

Interests Declared	None
Officer contact details For any further information	Christopher Watkins – christopher.watkins@manchester.gov.uk - 0161 227 3621

Register of Key Decisions

Register of Key Decisions Reference	(2022/12/02A)
OR – if not published in the Register of Key Decisions	
Reasons for special urgency such that this was not published in a Register of Key Decisions	

Scrutiny Call In

Call-in deadline	4:00pm on Wednesday 22 March 2023
OR – if Exempt from Call-in	
Advice as to how any delay would seriously prejudice the legal or financial position of the Council	
Scrutiny Chair who agreed the urgency	
Date this notice was published	15 March 2023