

**RE^ITEM Energy Contract Renewal****Author:** Danny Le Mar, Manager Financial Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To request authority for the Chief Executive to enter into electricity contracts with a supplier.

**2. Context**

- 2.1 In September last year our two electricity contracts expired. We were alerted to this by one of our suppliers at the start of November 2021. We engaged with smart power an independent consultant on how to best proceed to renew our contracts for our electricity.

Smart Power arranged a short-term contract with one of our suppliers until a tender process could be run to ensure compliance with our procurement policy.

Smart Power were in contact with us 26<sup>th</sup> January to let us know since the beginning of this year electricity prices have begun to increase significantly. This has had the flow on effect that suppliers are only leaving their pricing open for 5 days from tender.

Smart Power will be able to get us terms that would be open for 5 days with the figures and guidance of what contract is most suitable for us to enter.

Smart power has given us a rough guide that electricity prices in the current market are looking to increase by 30-40% overall.

With the short timeframe it is not practicable to bring to Council to review/ approve the contracts, also, electricity is a utility that we have no say in whether we have or do not have.

Therefore, it is recommended that the Chief Executive be delegated authority to review the contracts from the RFP Smart Power are running and to enter into the contract, noting that this would be over the \$250,000 delegation.

**3. Financial Implications**

- 3.1 Waiting to sign the contract prices could continue to increase.

**Attachments**

Nil

**Recommendation 1**

That the Energy Contract Renewal report be received.

**Recommendation 2**

That the Chief Executive be authorised to review and enter into a contract/s for our electricity supplier.