



Contract Approval Request

Summary Page

Title: OGP Tender on behalf of HSE/Health Sector Provision of 100% Renewable Electricity Supply to the Health Service Executive & Health Sector in Ireland (UEL005F – 24) (PPMS 24164)

Initial Term: 36 months

Extension Period: No Extensions

Awarded Supplier(s): Energia

Total Contract Value: €251,221,487 (excl VAT), €285,136,388 (incl. VAT@ 13.5%)

Annual Contract Value €83,740,496 (EXCL vat), €95,045,463 (incl. VAT@ 13.5%)

Savings/ Additional Costs: Not applicable

Incumbent Supplier(s): [REDACTED]

Date Submitted: 12th June 2024

Estimated Start Date: 01st October 2024

Portfolio Name: DHI

Submitted by: Peter McGowan

Summary: The OGP conducted a tender competition for the supply of 100% renewable electricity to the HSE using an OPG DPS. This award will replace an existing contract with the recommended Provider [REDACTED] which has been in place since 1st April 2023 which is due to expire on the 30th September 2024.

Procurement Process Type: DPS Tender competition(mini competition)

Issues encountered: None

Value for money: A costs reduction of €[REDACTED] including VAT ([REDACTED]%) per annum was achieved. This will result in an overall savings of €[REDACTED] including VAT([REDACTED]%) for the contract period of 36 months.

The following service related benefits apply:

- A national approach will ensure consistency of contract performance and management reporting;
- Standardisation of quality, service and pricing across the HSE;
- Increased contract compliance for HSE
- Contributes the HSE Sustainable goals.



Contract Approval Request

Tender Contract Details

1.0 Explanation of Requirement

For the supply of 100% renewable electricity to the HSE and HSE funded organisations.

2.0 Procurement Market

Within the last year, the market has stabilised and softened mainly due to high storage levels. Winter 2023 was mild and with healthy supply and decreased demand, storage levels are high. The position during 2024 so far, shows further falls in gas prices, however, geopolitical risk is still uncertain. Based on the market outlook the current flat curve/market for the next 3 years, the OGP Energy Advisor recommended returning to a 36 month contract term.

3.0 Procurement Strategy

Formal agreement by the HSE of the OGP Procurement Strategy as follows: (which was formally agreed on 09 February, 2024 by Siobhan Dunphy, Assistant National Director of Sourcing & Contracting, HSE Procurement and Peter McGowan (HSE Procurement)

The DPS Tender mini-competition ("Mini-Competition") was conducted in accordance with the rules of the DPS Agreement. The Office of Government Procurement (the "OGP") is an office within the Department of Public Expenditure, National Development Plan Delivery and Reform and is tasked (inter alia) with sourcing goods and / or services for and on behalf of public service bodies.

The Mini-competition was for the supply of 100% renewable electricity to the HSE/Health Sector was held under the OGP Dynamic Purchasing System for the provision of Electricity Supply to Public Service Bodies in Ireland (Ref: OGPSU001-001-2018) that was concluded on 15th January, 2019.

The Electricity DPS Members are as follows;

- [REDACTED], Energia, [REDACTED].

The Contract will be awarded to one DPS member only for all the tariff groupings on the basis of the lowest priced tender.

- Following the validation process. The OGP went to market with those metered supply points, registered under the current metered electricity contract, including any additions/removals requests from HSE/Health Sector "one voice for health nominated contact".
- The OGP, on the request of the HSE, was seeking pricing for the supply of 100% renewable electricity.
- Due to the volatility and the amount of uncertainty in energy markets, suppliers cannot hold their offers as long as they previously could.
- When the tender responses are evaluated, and if an offer is deemed acceptable by OGP and the Energy Advisor, OGP will need to accept the offer on behalf of the HSE/Health Sector.



Contract Approval Request

- As with all other previous OGP electricity mini-competitions, pricing, as recommended by the OGP Energy Advisor, will be tendered on a flex/fix basis. This means DPS Members will tender on the basis of a flexible price with a fixed margin.

4.0 Procurement Process

Article 34: Dynamic Purchasing System - OGP Dynamic Purchasing System for the provision of Electricity Supply to Public Service Bodies in Ireland (Ref: OGPSU001-001-2018) that was concluded on 15th January, 2019.

Article 27: Open Procedure - Mini-competition for the supply of 100% renewable electricity to the HSE/Health Sector held under the OGP Dynamic Purchasing System for the provision of Electricity Supply to Public Service Bodies in Ireland (Ref: OGPSU001-001-2018) that was concluded on 15th January, 2019.

Mini-competition for HSE/Health Sector, held under the Dynamic Purchasing System for the provision of Electricity Supply to Public Service Bodies in Ireland (Ref: OGPSU001-00102018) DPS Members are as follows: [REDACTED], Energia, [REDACTED].

5.0 Value for Money

Following the completion of the evaluation process Energia was determined by the OGP professional external energy advisor to represent value for money:

- Results versus the current contract show annual cost reduction projections of [REDACTED] including VAT [REDACTED] reduction).

The tables below summarises results, measuring the current annual contract value versus the Energia 12 month projections per tariff grouping.

Tariff Group	No of Sites	Annual kWh	Current Contract (12 Months)	New Contract (Energia 12mths)	Year on Year reduction per annum Current Contract v Energia New Contract 12mths	% reduction per annum current contract versus Energia new contract 12mths
1	144	[REDACTED]	[REDACTED]	€18,313,515	[REDACTED]	[REDACTED]
2	277			€9,260,408		
3	1299			€5,789,598		
4	305			€1,195,894		
5	746			€6,878,678		
7	41			€42,168,212		
9	13			€132,562		
11	1			€1,629		
	2,826			€83,740,496		
VAT 9% - VAT 13.5%				€11,304,967		
12 months Total incl VAT				€95,045,463		



Contract Approval Request

The OGP measured the projected cost avoidance or cost reduction, as follows:

- **Results versus Current Contract**

Annual cost reduction projections – the overall cost impact for 2022/2023 versus 2023/2024 is an annual reduction of [REDACTED] including VAT ([REDACTED]% reduction). This figure represents the spend for these supply points over the past twelve months (March 2023-March 2024) under the previous electricity supply competition rates, versus the projected cost over the next 12 month period with the new rates.

- **Over the 36 month period of the contract**

36 months contract cost reduction are projected to be [REDACTED] including VAT ([REDACTED]% reduction). against current contract.

The current contract has VAT rate of 9% and the new contract will have a VAT rate of 13.5%.

6.0 Environmental Impact Statement

100% Renewable electricity supply

7.0 Budget

The budget for electricity is revenue based. Managers should ensure that their locations are availing of the new contract rates.

8.0 Risk Management

With reference to the RFT, Part 2 Instructions to DPS Members, clause 2.17 below:

2.17 Insurance

The successful DPS Member shall be required to hold, for the term of any Goods Contract awarded pursuant to this Mini-Competition, the following insurances types and levels:

Type of Insurance	Indemnity Limit
Employer's Liability	€12.7 million limit for any one claim or series of claims arising out of a single occurrence
Public Liability	€6.5 million limit for any one claim or series of claims arising out of a single occurrence
Product Liability	€6.5 million limit in the aggregate per insurance year.
Cyber Liability	€5 million limit in the aggregate per insurance per year



Contract Approval Request

9.0 Contract Management

Supplier will provide Key Account Manager for this contract. The Key Account Manager will liaise directly with the HSE. A User Guide outlining the details of the contract will be uploaded to the HSE PASS

10.0 Approval

The Procurement Team recommends the award of this contract as detailed above and confirms:

1. The procurement process detailed above complies fully with Statutory Instrument No. 284 of 2016 EUROPEAN UNION (AWARD OF PUBLIC AUTHORITY CONTRACTS) REGULATIONS 2016 giving effect to Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC; HSE Procurement Policy; and HSE National Financial Regulations;
2. No member of the Evaluation Team or anyone else involved in the above procurement process had any registered interest or conflict of interest with any of the tenderers;
3. Award of contract(s) is subject to the receipt of satisfactory tax and insurance certificates;
4. Award of contract will be governed by legally binding contracts which protect HSE interests. The contract will include appropriate confidentiality clauses;
5. Funding is available to meet the cost of this contract.
6. Total life cost analysis has been carried out and the recommended contract represents best value for money;
7. The business benefits identified will be tracked to ensure that they are realised and will in due course be available to Board/CEO/National Director etc. and C&AG;
8. A contract will not be concluded within the standstill period required under European Communities (Public Authorities' Contracts) (Review Procedures) Regulations 2009.



Contract Approval Request

Submitted By:

Procurement Team Lead

Date:

The undersigned accepts and supports the recommendation of the Procurement Team.
Recommendation Accepted & Supported by:

A/Assistant Head of Sourcing & Contracting **Date:** 12/06/2024

A/AND Strategic Sourcing & Contracting **Date:** 17/06/2024

Approval

In accordance with HSE Purchase to Pay National Financial Regulations Board/CEO/National Director etc., (edit as appropriate) approval is requested

	Procurement Process Approval	Budget Holder Approval
Approved By		
Position	A/National Director, HSE Procurement	
Date	18/06/2024	



Contract Approval Request

Appendix A: Procurement Report Summary

Appendix A Procurement Report Summary

Tender Procedure		Mini-competition held under the Dynamic Purchasing System for the provision of Electricity Supply to Public Service bodies in Ireland (Ref: OGPSU001-001-2018)		
Publication Date www.etenders.gov.ie		30.04.24		
Publication Date on OJEU		N/A		
Number of Expressions of Interest Received (For Restricted Procedures Only)		N/A		
Number of Tenders Received by Closing Date		1		
Closing Date		30/04/24		
Tender Opening Date		30/04/24		
Tenders Opened by		OGP Energy Team – [REDACTED] and [REDACTED]		
Procurement Team				
Name		Title		Role
[REDACTED], OGP		Category Manager for Energy		Project Lead
[REDACTED], OGP		Category Specialist Higher		OGP Energy Team
[REDACTED] OGP		Category Specialist		OGP Energy Team
[REDACTED] [REDACTED]		OGP Energy Advisor		Technical Evaluator
Selection Criteria				
Main Criteria	%	Sub-Criteria	%	Min %
Sole criteria used to assess tenders was: the lowest priced tenders while also meeting the contract requirements.	100			
The contract will be awarded to the Tenderer judged to have submitted the overall lowest priced tender for all Lots.				



Contract Approval Request

Suppliers who Failed to Qualify at Selection Stage				
Name		Reason		
Award Criteria				
Main Criteria	%	Sub-Criteria	%	Min%
Sole criteria used to assess tenders was: the lowest priced tenders while also meeting the contract requirements.	100			
Suppliers who Failed to Qualify at Award Stage				
Name		Reason		
Financial Ranking Following Award Evaluation				
#	Name		Score	
1	Energia		100%	
Non-Financial Following Award Evaluation				
#	Name		Score	
Most Economically Advantageous Ranking Following Award Evaluation				
#	Name		Score	



Contract Approval Request

Cost Drivers		
Element	%	Influencing Factors
Total	100%	Cost – Lowest priced tender

Budget Savings or Cost (Calculate both columns based on pre contract full year volumes)		
Pre Contract Full Year Cost	Post Contract Full Year Cost	Full Year Benefit / (Cost)
		Reduction =

See Appendix B for detail

Procurement Process Assurance		Tick to Confirm
The Procurement Team Confirms <input type="checkbox"/>		
1	The procurement process detailed above complies fully with Statutory Instrument No. 284 of 2016 European Union (Award of Public Authority Contracts) Regulations 2016 giving effect to Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC; HSE Procurement Policy; and HSE National Financial Regulations.	✓
2	No member of the Evaluation Team or anyone else involved in the above procurement process had any registered interest or conflict of interest with any of the tenderers.	✓
3	Total life cost analysis has been carried out and the recommended contract represents best value for money.	✓
And subject to recommended contract being approved:		
4	A contract will not be concluded within the standstill period required under European Communities (Public Authorities' Contracts) (Review Procedures) Regulations 2009.	N/A (No standstill)
5	Award of contract(s) will be subject to the receipt of satisfactory tax and insurance certificates.	✓
6	Award of contract will be governed by legally binding contracts which protect HSE interests.	✓
7	A contract award notice will be published on eTenders.	✓



Contract Approval Request

Appendix B Contract Price List

12 Months

Tariff Group	No of Sites	Annual kWh	Current Contract (12 Months)	New Contract (Energia 12mths)	Year on Year reduction per annum Current Contract v Energia New Contract 12mths	% reduction per annum current contract versus Energia new contract 12mths
1	144			€18,313,515		
2	277			€9,260,408		
3	1299			€5,789,598		
4	305			€1,195,894		
5	746			€6,878,678		
7	41			€42,168,212		
9	13			€132,562		
11	1			€1,629		
	2,826			€83,740,496		
VAT 9% - VAT 13.5%				€11,304,967		
12 months Total incl VAT				€95,045,463		