

## **Aster Group Utilities Procurement: Electricity and Gas**

**2019 onwards.**

Invitation to provide brokerage service to quote on a 36 month contract (with an option to extend for a further 2 years) months contract for the provision of the services across the whole of the Aster Group's domestic communal and commercial property portfolio (known as Aster Property, Synergy Housing, and Aster Communities) set out below.

- 1. Energy Procurement for Gas and Electricity (via OJEU)**
- 2. Sourcing and Placement of Utility Supply Agreements and Energy Trading**
- 3. Original Invoice Validation and setting up of Direct Debit only arrangements with the winning supplier**
- 4. Client Account: Maintenance & Management**
- 5. Retro Audit covering the last six (6) years**
- 6. On-going energy Management & Reporting**
- 7. Overall percentage of low carbon fuel sources in OJEU basket**
- 8. To confirm the number of energy suppliers in your OJEU basket for both gas and electricity.**

**In addition bidders are asked to set out if they offer the following;**

- 9. Individual dwelling void management product, indicating what is included and if that include any debt write off or access to pre-paid cards etc.**
- 10. What levels of innovation will be offered, e/g meter audits, smart meter provision and any social value that might support our wider fuel poverty and energy efficiency aspirations across our communities.**

### **1. Energy Procurement**

#### **1.1 Development of ITT Document**

- The Supplier shall, based on market conditions and the Clients energy consumption volume, approach appropriate licensed UK Utility Providers who are able to meet the tender requirements. This ITT is based upon the Suppliers database of the Clients estate, with consumption data for each relevant utility supply compiled in a format suitable for potential Utility Providers to quote accurately.
- Through an OJEU process , the Supplier shall shortlist the Utility Providers who are best able to meet the Clients specified requirements which include;
  1. Offers competitive best price over the longest contract term
  2. Offers direct debit or other easy to administer payment structure
  3. Contains some low carbon or renewable energy in their electricity supply mix
- \*These Utility Providers will be invited to tender for business.
- The Supplier will advise the Client of the names of all the Utility Providers to whom the tender document is sent, who have been identified by the Supplier as appropriate licensed Utility Providers who are able to meet the tender requirements.

## **2. Sourcing and Placement of Utility Supply Agreements and Energy Trading**

- Where applicable, the Supplier will place bridging contracts and conduct an Invitation to Tender process in relation to in scope utility supplies.
- The Supplier shall vet all contractual documents in terms of industry knowledge and best practice, prior to signature to ensure that the prices, payment period and Flexible terms are in the best interest of the Client. (NB. This shall not constitute legal advice)
- Upon instruction by Letter of Authority (LOA) or e-mail from the Client, the Supplier shall, communicate offer acceptance to the relevant Utility Provider (s) confirming Terms and Conditions. The Client shall then sign the Supply Agreement(s) .
- The Supplier shall liaise directly with the Client and the Utility Provider(s) to ensure implementation of new Supply Contracts from the agreed date.
- The Supplier shall provide a post-tender report confirming full details of the accepted offer
- The Supplier will provide the Client with an annual formal business and strategy review to ensure the service received is in line with the Clients business strategy.
  
- In all cases the Supplier will act as to minimise the costs that the Client receives from the purchasing of utilities across the Clients portfolio and to ensure that the activities are carried out in accordance with the strategy outlined and agreed by the Client in the purchasing recommendation report.

## **3. Original Invoice Validation**

In conjunction with input from the Client, the Supplier will create and maintain a database containing information relating to each site (including any applicable discounted tax rates) and its respective utility supply.

Where the Client provides updated information to the Supplier in respect to its sites, the Supplier will amend the database accordingly

The Supplier will ensure that the Utility Provider(s) invoices are directed to the Supplier

The Supplier will ensure that the Utility Provider(s) invoices are paid via Direct Debit (or other easy to administer arrangement) and will set up the required process with the Client

Invoices received from the Utility Provider will be processed within five (5) working days of receipt by the Supplier

The Supplier will perform the following validation checks on the Clients utility invoices within a timely manner:

- Invoice is mathematically correct
- Correct Energy Supplier is listed
- Correct unit rates charged (Only applicable on Fully delivered unit rates; referenced rates and reconciliations will not be validated)

- Correct fiscal meters invoiced
- Correct VAT/CCL has been applied.
- Fiscal meter reads follow on from previous bill

Where the Supplier identifies that a validation check has not passed, the Supplier will raise the failure with the Utility Provider(s) directly and ensure that all credits/refunds and rectifications are implemented in a timely manner.

The Supplier will send the following data to the Client:

- A standard Payment Journal containing invoices authorised to pay prior to payment due date (Payment Journals not to exceed more than one per working week and will contain high level invoice detail only)
- A Monthly Report containing high level details of all detailed queries and the progress of these
- The Supplier will make these reports available to the Client via a web portal (where applicable).

#### **4. Client Account: Maintenance & Management**

The Supplier to:

- Arrange Account Review meetings/Teleconferences with the Client to review contract performance
- Changes of Tenancy Management
- Portfolio addresses and Database
- Claiming of credits owed
- Query management
- Dispute resolution
- Consolidation of Supplier Payments
- Annual Bill Audit
- Value for Money
- To develop with the client a plan to put in place a programme for Smart Metering
- To advise on any other Value For Money or customer benefits/ incentives offered by energy suppliers contracted to supply the client energy

#### **5. Retrospective Audit (covering typically a historic six year period)**

Based on data provided by the Client, the Supplier shall create a database which allows the Supplier to perform the necessary work, where gaps in the data appear, the Supplier will liaise with Client and the Utility Provider(s) to attempt to obtain the missing data.

The Supplier will conduct a review of the data to identify key opportunities for refunds or on-going savings. The Supplier will use this information to devise a project plan for the Retrospective Audit services.

- A typical assessment can include , but is not limited to:
- Retrospective audit of historical bills covering the last six (6) years.
- Review of supply chain arrangements
- Identification of on-going saving opportunities both fiscal and consumption based

The Supplier will highlight any opportunities to the Client and seek the Client's authority to implement such refunds/credits/savings that have been recommended.

The Supplier shall produce and issue a report to the Client showing all credits, refunds, invoice amendments and savings identified from the Retrospective Audit service. The report will set out any further actions required to reclaim these credits/refunds, invoice amendments and savings.

With the permission of the Client, the Supplier shall approach any Utility Provider(s) or third parties on behalf of the Client, in order to reclaim any overcharges and implement on-going savings in a timely manner. The Supplier will ensure that the Client receives regular updates on the status of submitted queries.

Where required, the Client agrees to provide assistance with queries by ensuring that access to historical information is available to the Supplier.

## **6. On-going Management & Reporting**

The Supplier will provide the Client with the following on at least a quarterly frequency:

- CO<sub>2</sub> and energy consumption report on the whole portfolio, broken down on a site-by-site basis
- Quarterly report on Oil, Electricity, Gas and Carbon forward outlook
- Communication of legislation changes and updates relating to the Services