

ID 3346286

DoF COLLABORATIVE ARRANGEMENT

**PROVISION OF ENERGY MARKET ADVISORY
SERVICES**

SPECIFICATION OF REQUIREMENTS

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1.0 INTRODUCTION

Construction and Procurement Delivery (CPD) is a Centre of Procurement Expertise (CoPE). It is responsible for disseminating advice and guidance on the direction and policies on public procurement to the Northern Ireland public sector and monitoring their implementation. It is also responsible for managing procurements on behalf of central government departments, their agencies and arm's length bodies.

In order to establish tender competitions in respect of electricity and gas and to manage the resultant contracts CPD requires energy market intelligence and expertise to provide specialist electricity and gas advisory services to the following bodies;

- Construction and Procurement Division (CPD)
- Education Authority (EA)
- Translink
- Business Services Organisation (BSO)
- NI Water (NIW)

The contracts awarded by these bodies are summarised in the table below and set out in more detail in sections 2 to 4:

AWARDING BODY	ENERGY TYPE	START DATE	END DATE	APPROX. VALUE
NI Water	Metered electricity	1-Oct-2019	30-Sep-2021	£70.0m
CPD	Metered electricity	1-Apr-2020	31-Mar-2022	£110.0m
BSO PaLS	Metered electricity for all HSC Trusts	1-Apr-2021	31-Mar-2024	£66.0m
BSO PaLS	Natural gas for all HSC Trusts	1-Apr-2021	31-Mar-2024	£54.0m
CPD	Unmetered electricity	1-Apr-2021	31-Mar-2023	£20.4m
CPD	Natural gas	1-Apr-2021	31-Mar-2023	£36.0m

All in scope energy contracts will be subject to regulated charges set by the Northern Ireland Authority for Utility Regulation.

The Contract will commence on the Commencement Date for two years with two extension options of 12 months each.

2.0 CONSTRUCTION & PROCUREMENT DELIVERY (CPD)

CPD, Supplies and Services Division has previously put in place collaborative arrangements in respect of metered and unmetered electricity, and natural gas.

2.1 SUPPLY OF METERED ELECTRICITY

Current Arrangements

The current collaborative contract for the supply of metered electricity to public sector buildings in Northern Ireland commenced on 1 April 2020. The contract will expire on 31 March 2022.

Contractor:

ESB Independent Energy

The current bodies availing of this contract are listed at Annex B.

Future Requirements – Metered Electricity

CPD will commence work to undertake a tender competition to establish a new Collaborative Contract. The new Collaborative Contract will commence on 1 April 2022.

It is anticipated that at this time CPD will establish a new contract for the supply of metered electricity to the highest rank tenderer. The Energy Market Advisor will be required to provide expertise to assist in the tendering of this requirement.

It is anticipated this requirement will be required every two years.

2.2 SUPPLY OF UNMETERED ELECTRICITY

Current Arrangements

The current collaborative contract for the supply of unmetered electricity to public sector buildings in Northern Ireland commenced on 1 April 2021. The contract will expire on 31 March 2023.

Contractor:

POWER NI ENERGY LIMITED

The current bodies availing of this contract are –

Department for Infrastructure (DfI)
NI Water (NIW)
The Police Service of Northern Ireland (PSNI)
Northern Ireland Housing Executive (NIHE)
Translink

Future Requirements – Unmetered Electricity

CPD will commence work to undertake a tender competition to establish a new

Collaborative Contract. The new Collaborative Contract will commence on 1 April 2023.

It is anticipated that at this time CPD will establish a new contract for the supply of unmetered electricity to the highest rank tenderer. The Energy Market Advisor will be required to provide expertise to assist in the tendering of this requirement.

It is anticipated this requirement will be required every two years.

2.3 SUPPLY OF NATURAL GAS

Current Arrangements

The current collaborative contract for the supply of natural gas to public sector buildings in Northern Ireland commenced on 1 April 2021. The contract will expire on 31 March 2023.

Contractor:

Firmus Energy (Supply) Ltd

The current bodies availing of this contract are listed at Annex C.

Future Requirements – Natural Gas

CPD will commence work to undertake a tender competition to establish a new Collaborative Contract. The new Collaborative Contract will commence on 1 April 2023.

It is anticipated that at this time CPD will establish a new contract for the supply of natural gas to the highest rank tenderer. The Energy Market Advisor will be required to provide expertise to assist in the tendering of this requirement.

It is anticipated this requirement will be required every two years.

3.0 BUSINESS SERVICES ORGANISATION (BSO)

The Business Services Organisation (BSO) provides a broad range of regional business support functions and specialist professional services to the health and social care sector in Northern Ireland. BSO is also a Centre of Procurement Expertise (CoPE).

3.1 SUPPLY OF METERED ELECTRICITY AND GAS

Current Arrangements

BSO currently have a Dynamic Purchasing System (DPS) arrangement for the supply of metered electricity and natural gas which commenced in 1 May 2020 and will expire on 30 April 2025 with a further option to extend for up to 120 months.

DPS participating bodies –
Business Services Organisation (BSO)
Belfast HSC Trust
Northern HSC Trust
Southern HSC Trust
Western HSC Trust
South Eastern HSC Trust
NI Ambulance Service
Regional Health and Social Care Board
NI Fire and Rescue Service

From the DPS BSO have awarded the following contracts –

Metered Electricity

Contract Award - 01/04/2021
Contract Expiry - 31/03/2024

Contractor –
ESB Independent Energy

Natural Gas

Contract Award - 01/04/2021
Contract Expiry - 31/03/2024

Contractor –
Firmus Energy (Supply) Ltd

The participating bodies for both the BSO metered electricity and natural gas contracts are –

Business Services Organisation (BSO)
Regional Health and Social Care Board
Western HSC Trust
Northern HSC Trust
South Eastern HSC Trust
Belfast HSC Trust
Southern HSC Trust

NI Ambulance Service
NI Fire and Rescue Service

Future Requirements

It is anticipated this requirement will be required every three years.

4.0 NORTHERN IRELAND WATER

4.1 SUPPLY OF METERED ELECTRICITY

Current Arrangements

The current contract for the supply of metered electricity to NIW commenced on 1 October 2019. The contract will expire on 31 September 2021.

Contractor:

POWER NI ENERGY LIMITED

The current bodies availing of this contract are –

NI Water

Future Requirements – Metered Electricity

NIW will establish a new metered electricity contract. The new contract will commence on 1 October 2021.

It is anticipated this requirement will be required every two years.

5.0 ENERGY MARKET ADVISORY SERVICES - REQUIREMENTS

In order to establish tender competitions in respect of electricity and gas and to manage the resultant contracts CPD requires energy market intelligence expertise to provide specialist electricity and gas advisory services to a variety of bodies across the Northern Ireland Public Sector.

5.1 Services A: Advisory Services to support Tender Exercises

- (i) Assisting with the development of specifications and Client specific pricing models for tendering
- (ii) Obtaining from suppliers appropriate consumption data, verifying supply points with users and presenting in a pricing schedule for tendering

- (iii) Analysing and manipulating half hourly and non-half hourly data into the DUoS and TUoS time bands to ensure accurate application of pass through charges including DLAF
- (iv) Assisting in the development of tender assessment methodologies
- (v) Implementing pricing models for fixed price or risk managed* Electricity/Gas Contracts
- (vi) Assisting in responding to clarification queries during tender exercises
- (vii) Input into client handover documentation including final competition rates
- (viii) Assisting in the verification of tender compliance
- (ix) Assisting in assessment of tenders
- (x) Evaluate the pricing schedule

* The risk managed service is provided by a separate contract and not a requirement for this contract.

Table 1 and table 2 below show the total meters for metered electricity and natural gas.

Table 1

Electricity Meters		
Contracting Authority	No. of Half hourly meters	No. of Non Half hourly meters
CPD	1,843	2,881
BSO	109	586
NIW	2,459	88

Table 2

Gas Meters	
Contracting Authority	No. of meters
CPD	1,558
BSO	522

5.2 Services B: Contract Services

- (i) If required, providing a detailed handover report (including sample billing layout) to all clients advising of indicative future costs based on historical consumption and the winning tenderers supplier margin
- (ii) Completing network transfer forms as required
- (iii) Maintain a central register of all meter points (inclusive of additions and removals during the contract period)
- (iv) Obtaining savings reports as required
- (v) Liaising with SIB for consumption data transfer into SIB's central database
- (vi) Assisting clients with managing their energy contracts

5.3 Services C: Ad Hoc Advisory Services

Some ad hoc Energy Advisory Services may be required during the life of the Electricity and gas contracts and may include advice regarding;

- Market trends including energy price fluctuations
- Tariffs
- Post purchase analysis
- Regulatory changes
- Market review and associated services including update on suppliers and emerging markets

This ad hoc advice may be required in writing, by attending meetings and/or undertaking presentations.

5.4 Services D: Knowledge Transfer Services

Knowledge transfer may be required by providing up to 2 days training per year to each participating body.

5.5 Services which are Out of Scope

The following services are currently provided via a separate contract (ID 2621210) and will remain out of scope from this contract while contract ID 2621210 is in place, but may be provided through Services C of this contract if contract ID 2621210 is not replaced.

Strategy Development

- Development, implementation and achievement of existing and future business plans and procurement strategies for energy procurement
- Preparation of savings strategies
- Review of existing energy procurement processes and procedures
- Recommendations on hedging strategies and term
- Post purchase analysis and counter-factual comparisons

Risk Management Services

- Identifying and analysing potential market changes that may impact costs (regulatory, new market entrants, changes to pass through, wholesale etc.)
- Carrying out risk analysis on each portfolio of contracts
- Managing flex/fixed contracts including all hedging/unhedging instructions
- Managing fully flexed contracts including all hedging/unhedging instructions
- Post hedge reports by client and by sector
- Advice on opportunities to contract for Corporate Power Purchase Agreements (CPPAs)

Reporting

- Cost and consumption reports (Daily, Weekly, Monthly and annually as required by clients)

- Market update reports (Daily, weekly, monthly and annually as required by each client)
- Project appraisal reports

Ad Hoc Services

- Bill validation
- Long term retail and wholesale price projections
- Modelling the impacts of regulatory and policy changes in energy markets
- Advice on strategies to ensure physical resilience on the government estate
- Advice on strategies to deal with electrification of heat and transport
- Advice on potential market changes as a result of BREXIT
- Wider energy policy development

6.0 KEY PERSONNEL

During the contract period the contractor must provide Key Personnel. Key Personnel are deemed to be

- a. The Energy Advisor: whose role is to ensure the delivery of all technical services required by the Contract
- b. The Key Account Manager: whose role is ongoing customer support and delivery of all services required by the Contract, the smooth running of the Contract and attendance at any Contract review or other meetings required

The Key Personnel must have the skills and experience to undertake their roles. The roles may be undertaken by the same person.

The Key Personnel must have at least two years' experience gained within the last five years within the energy industry of delivering services as an Energy Advisor or Key Account manager.

The Contractor must provide names and contact details of the individuals who will perform these roles.

7.0 KEY PERFORMANCE INDICATORS

The Contractor's performance will be measured against the following key performance indicators (KPIs):

- Acknowledgement and resolution to queries within 2 working days
- Acknowledgement and resolution to tender clarification queries within 2 working days
- Complete evaluation of pricing schedule within 3 working days (assuming no queries or anomalies)

- Complete network transfer forms and provide confirmation to client that form issued to supplier within 3 working days

The Contractor must put in place mechanisms to measure its performance against these KPIs and report on these KPIs at Contract review meetings.

The Contractor will be required to be complete a monthly spend return to CPD.

<u>Participating Bodies</u>	<u>Services Required</u>			
	Services A: Advisory Services to support Tender Exercises	Services B: Contract Services	Services C: Ad Hoc Advisory Services	Services D: Knowledge Transfer Services
Construction and Procurement Directorate (CPD)	√	√	√	√
Education Authority (EA)	√	√	√	√
Translink	√	√	√	√
Business Services Organisation (BSO)	√	√	√	√
NI Water	√	√	√	√

ANNEX B – PARTICIPATING BODIES – CPD - SUPPLY OF METERED ELECTRICITY

<i>Department of Agriculture Environment, and Rural Affairs (DAERA)</i>
DAERA – Agri-Food and Biosciences Institute (AFBI)
DAERA – College of Agriculture, Food and Rural Enterprise (CAFRE)
DAERA – Lough’s Agency
<i>Department of Education (DE)</i>
DE – General Teaching Council Northern Ireland (GTCNI)
<i>Department for Communities (DfC)</i>
DfC – Arts Council Northern Ireland (ACNI)
DfC – Armagh Observatory and Planetarium (AOP)
DfC – Charity Commission NI
DfC – Northern Ireland Local Government Offices Superannuation Committee (NILGOSC)
DfC – National Museums Northern Ireland (NMNI)
DfC – Ulster Supported Employment Limited (USEL)
DfC – Sport NI
<i>Department for the Economy (DfE)</i>
DfE – Belfast Metropolitan College (BMC)
DfE – Construction Industry Training Board (CITB)
DfE – Certification Office
DfE – Health and Safety Executive for Northern Ireland (HSENI)
DfE – Invest NI
DfE – Labour Relations Agency (LRA)
DfE – Northern Regional College (NRC)
DfE – North Western Regional College (NWRC)
DfE – Office of the Industrial Tribunals and The Fair Employment Tribunals (OITET)

DfE – South Eastern Regional College (SERC)
DfE – Southern Regional College (SRC)
DfE – Stranmillis University College (Stranmillis)
DfE – South Western College (SWC)
<i>Department for Infrastructure (DfI)</i>
DfI – Roads & Rivers
DfI – Transport Northern Ireland (TNI)
DfI – Driver & Vehicle Agency (DVA)
<i>Department of Finance</i>
DoF – Properties Division (PD) [this includes their clients]
<i>Department of Justice (DoJ)</i>
DoJ – Legal Service Agency (LSA)
DoJ – Northern Ireland Courts and Tribunals Service (NICTS)
DoJ – Northern Ireland Policing Board (NIPB)
DoJ – Northern Ireland Prison Service (NIPS)
DoJ – Probation Board for Northern Ireland (PBNI)
DoJ – Police Ombudsman
DoJ – Youth Justice Agency (YJA)
DoJ – Police Rehabilitation and Retraining Trust (PRRT)
<i>Department of Health (DoH)</i>
<i>The Executive Office (TEO)</i>
TEO – Equality Commission
TEO – Maze Long Kesh (MLK)
Education Authority (EA)

Libraries NI
Council for the Curriculum Examinations and Assessment (CCEA)
Police Service of Northern Ireland (PSNI)
NI Utility Regulator (UREGNI)
Northern Ireland Housing Executive (NIHE)
Northern Ireland Public Sector Ombudsman (NIPSO)
Public Prosecution Office (PPS)
Queens University Belfast (QUB)
St Mary's University College (SMUCB)
Ministry of Defence (MOD)
Food Standards Agency (FSA)
Electoral Office Northern Ireland (EONI)
Northern Ireland Audit Office (NIAO)
Translink

ANNEX C – PARTICIPATING BODIES – CPD - SUPPLY OF NATURAL GAS

Department of Agriculture Environment and Rural affairs (DAERA)
DAERA – Agri-Food and Biosciences Institute (AFBI)
Department of Education (DE)
DE –Northern Ireland Council for Intergrated Education (NICIE)
DE - Council for the Curriculum, Examinations & Assessment (CCEA)
Department for Communities (DfC)
DfC - Sport NI
DfC – Ulster Supported Employment Ltd (USEL)
DfC- Libraries NI
DfC – National Museums Northern Ireland (NMNI)
DfC - Foras Na Gaeilge
DfC - Arts Council NI
Department for the Economy (DfE)
DfE - Labour Relations Agency
DfE – Health and Safety Executive Northern Ireland (HSENI)
DfE – Bedford Street development Limited (BSDL)
DfE - MDRE (Invest NI)
DfE - Consumer Council Northern Ireland
DfE – Belfast Metropolitan College (BMC)
DfE – Northern Regional College (NRC)
DfE – North Western Regional College (NWRC)
DfE – Southern Regional College (SRC)
DfE – South Eastern Regional College (SERC)
DfE – South Western College (SWC)
DfE – Stranmillis

Department of Infrastructure (DfI)
DfI – Roads and Rivers
DfI – Driver Vehicle Agency (DVA)
Department of Finance (DoF)
DoF – Properties Division (PD)
Department of Health (DoH)
Department of Justice (DoJ)
DoJ – Northern Ireland Prison Service (NIPS)
DoJ – NI policing board (NIPB)
DoJ – Police Ombudsman Northern Ireland (PONI)
DoJ – Northern Ireland Courts and Tribunals Service (NICTS)
DoJ - Youth Justice Agency
DoJ – Probation Board Northern Ireland (PBNI)
DoJ - Forensic Science NI
The Executive Office (TEO)
TEO - Commissioner for Public Appointments for NI
TEO - Equality Commission
NI Assembly
NI Office
NI Audit Office
PPS (Public Prosecution Service)
NI Water
Police Service Northern Ireland (PSNI)

Translink
St Mary's University College (SMUCB)
Queens University Belfast (QUB)
Food Standards Agency
Ministry of Defence (MOD)
Education Authority (EANI)
Northern Ireland Housing Executive (NIIHE)