



BEST PRACTISE ENERGY CONTRACT PROCUREMENT

Background

PH Energy Services procurement processes are designed to deliver the following objectives:

- To achieve overall cost benefit for the customer.
- To improve the procurement performance of our customers through the provision of a comprehensive, professional purchasing and supply service.
- To provide customers with a transparent and auditable tender process.
- To provide customers with a simple, time saving and effective system for the supply of utility services whilst preserving full public accountability, including compliance with EU Directives.
- To assist customers in meeting key corporate objectives.

Our experience

Our staff at PH Energy Services have many years experience working with end users who are required to follow the procurement process, as dictated by the OJEU regulations, when tendering their energy contracts. These end users include ESPO, NHS, YPO and United Utilities. We have often been involved in assisting interpretation of the regulation for our customers. We have also assisted in ensuring that processes accurately follow the regulations and guidelines where contracts are *not* subject to OJEU requirements but are required to follow a best practise procurement process.

PH Energy Services OJEU compliant tender process

Our best practise tendering activity follows the key steps below:

Initial assessment

This involves the calculation of the contract value. Many of our customers are unsure of the value of the energy contract that they are due to place. We will analyse the customer's portfolio and contract duration to produce a forecast of the total contract value.

Many of our customers do not need to comply with the OJEU regulation but chose to apply the principles in order to achieve fairness, competition and transparency in public procurement.

1. Prior Information Notice

We ensure that the correct and most appropriate notification has been made regarding the customers forthcoming contract tender.

2. Selection of contract award procedures

Advising the customer in choosing the most appropriate process. OJEU provides for the following procedures: open; restricted; negotiated or competitive dialogue procedure as defined by the regulation.

3. Specification

Working with the customers on the development of the Statement of Requirements (SoR) which is required to support the Selection and Award process.

4. Invitation to tender

Suppliers are given reasonable timescales within which to respond to the Pre Qualification Questionnaire and the tender documents. Tender documents are issued electronically to each supplier and contain the timescales that the process will follow. Most of our non OJEU regulated tenders follow the timescales as detailed in the regulation. The timescales will vary according to the type of tender being conducted.

5. Selection

Our aim is achieve as much supplier participation as possible in order to provide a competitive process. It is sometimes appropriate to shortlist suppliers prior to the tender and this process is carried out with the use of a Pre Qualification Questionnaire. Under the OJEU regulation suppliers may be deselected on the basis of unsuitability (e.g. previous criminal offence); financial stability; technical capacity and ability. At least 3 suppliers should be taken to the tendering stage.

6. Award Stage

PHES will ensure that the customer's requirement for contract award are followed – lowest price or various criteria for determining the 'most economically advantageous tender' (MEAT).

7. Post Tender Negotiations

Principally the OJEU rules will only allow for clarification rather than a change to the suppliers response.

8. Post tender reporting

PH Energy Services will provide full documentation of the tender activity and a summary report. The customer is able to audit our process at any stage.

Further information

For further information regarding the above please contact Karen Neil at PH Energy Service on

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