



European Union

European Regional
Development Fund

Procurement Specification: NEAA Energy Scheme

Procurement Reference: 141116 North East Automotive Alliance Energy Scheme

Date: 15th November 2016

1. Background

Launched in March 2015 the North East Automotive Alliance (NEAA) is a not-for-profit industry led clusters established to support the sustainable economic growth and competitiveness of the North East automotive sector.

Through the NEAA companies find benefit from leadership and co-ordination of activities, which have mutual benefit. The NEAA has introduced a number of services to its members with the aim of increasing the competitiveness of member companies.

Today the NEAA is the largest automotive cluster in the UK and boasts a network of over 200 member companies.

Energy costs have an increasingly significant impact upon company competitiveness and under the NEAA Business Competitiveness Group we have established an Energy Focus Group with two areas of focus:

- 1) Energy efficiency - predominantly looking to identify and share best practice on energy efficiency and identify new technologies and opportunities for future energy efficiency activities.
- 2) Energy procurement – the group has identified there are significant opportunities to aggregate energy spend across the NEAA membership; and to this end have requested the NEAA introduce an Energy scheme for its members

2. Procurement Details

The contracting authority is North East Automotive Alliance Limited, RTC North, Loftus House, Colima Avenue, Sunderland, SR5 3XB.

2.1. Delivery Requirements

The NEAA is seeking an energy partner who will introduce and manage an NEAA energy scheme to aggregate spend across the membership network for those companies who wish to opt-in to the scheme.

For the purpose of this NEAA energy scheme the focus will solely be on energy procurement. The energy scheme will provide:

- 1) Better energy rates for our member companies. These range from SME's to large multinationals. Please note not all member companies will opt-in.
- 2) As we are a not for profit organisation any income we derive from collaborations contribute to our ongoing ability to support our members. Please identify potential commercial opportunities that you normally offer with your engagement partners that the NEAA can consider.

We intend to secure these services through a selection process which will involve a two stage process:

Stage 1: Initial Sift:

The proposals received in response to this enquiry will be used to evaluate each company against the selection criteria outlined below. A short list of companies who will be invited through to stage 2 of the process.

Stage 2: Presentation to panel

Invited companies will be asked to present their energy procurement offer to a selected panel. This panel will evaluate each bid and agree the overall winner and chosen partner to provide the NEAA Energy scheme.

Whilst this service is limited to the management and delivery of an NEAA energy procurement scheme the chosen partner will have the opportunity to engage with the energy efficiency activity undertaken by the NEAA and its member companies. The types of energy efficiency activities and solutions will be left to the open market as we want to ensure that our members have access to the best expertise and knowledge in this area that is critical to their competitiveness.

Stage 1: Initial Sift

Our approach is to offer the following energy usage specification for your consideration. This is a tier1 automotive supplier to Nissan and has annual demand of:

12 Gigawatts Electricity

1.5 Gigawatts Gas

When assessing your approach we would like you to consider as a priority the management of cost stability over a normal contract time frame. The successful candidate would also have to demonstrate its approach to the following points in a framework agreement.

To NEAA Members:

- 1) The requirement for the provision of half hourly (HH) electricity services although there may be instances in which there is a requirement for the supply of non-half hourly electricity services (NHH) and unmetered electricity services (UMS) to be included in the Framework Agreement.
- 2) Provision of services, goods and works in addition to the provision of electricity supplies may also be required. It is envisaged that this will include, but not be limited to flexible and electronic billing systems, including electronic data interchange or a fully electronic data interchange (or compatible alternative); customer meter reading, billing, administration and query management, including full supply point registration and administration, objection handling and ongoing maintenance of customer contracts; bespoke report generation; transparent balancing and settlement charges; Estimated Annual Consumption (EAC) review and the accurate application of industry regulated charges.
- 3) Customers may also require additional goods, works & services that help control/manage and/or reduce their energy demand. It is envisaged that this will include, but not be limited to bespoke report generation; transparent balancing and settlement charges; automatic meter reading (or other smart metering solution); feed-in tariff management and billing verification.

To the NEAA:

- 1) Approach to the differing renewal periods for the current energy contracts of our members in order to secure the most competitive energy rates
- 2) A proactive approach to engaging members ensuring there is no negative impact upon the NEAA's reputation
- 3) Monthly reporting to the NEAA as detailed in 4.0 This information will form the basis of a quarterly report to the NEAA industry board report

As we understand the uncertainty of the current energy market we would like you to base your proposal on market assumptions/intelligence of the 18/11/16.

2.2. Submission Requirements

We are now inviting companies to submit a proposal for this work. Your proposal should include:

- A brief description of your company
- Examples of previous work which is relevant
- A proposed workflow to show the interaction between yourself, NEAA members and the NEAA management team.

2.3. Selection Process

We intend to secure these services through a selection process which will involve a two stage process:

Stage 1: Initial Sift:

The proposals received in response to this paper this paper will be used to evaluate each company against the selection criteria outlined below.

Criteria	Weighting %
Energy Rate – value for money	30
Management of the Scheme	30
NEAA income generation	20
Understanding of requirements & relevant experience	20

From this initial evaluation a short list of companies will be invited to present to stage 2 of the process, unsuccessful applicants will be notified in writing.

Stage 2: Presentation to panel

Invited companies will be asked to present their energy procurement offer to a selected panel. This panel will evaluate each bid and agree the overall winner and chosen partner to provide the NEAA Energy scheme.

3. Contract Term

The successful applicant and the NEAA shall enter a contract for the delivery of the aforementioned scheme. The signing of the contract will establish the Commencement Date and shall continue until either party gives to the other party 30 days written notice to terminate (Term).

4. Payment Terms

The Company shall, within 2 Business days of the start of each month, send to the NEAA a written statement detailing the previous month activities:

- any Relevant Contracts entered into during the previous month;
- any Commission due and payable; and
- how the Commission has been calculated.
- number of companies contacted. This information will form the basis of a quarterly report to the NEAA industry board report.

5. Contract Management

Standard terms and conditions will apply to the successful organisations; a copy of which is available upon request. Special terms may come into force as the contract is negotiated.

6. Quality Assurance

Proposals should describe the organisations procedures for quality assuring their work stating whether they hold a recognised quality management certification for example BS/EN/ISO9000 or have an equivalent quality assurance/management system in place.

7. Queries

To ensure a fair and transparent tender process no approach of any kind in connection with this tender should be made to any other person within, or associated with, North East Automotive Alliance Limited. Failure to comply may result in disqualification from the process.

8. Return

The completed proposal and associated documents must be submitted to Stuart McGivern either by email to smcgivern@northeastautomotivealliance.com or in hard copy to the following address: Stuart McGivern, North East Automotive Alliance Limited, RTC North, Loftus House, Colima Avenue, Sunderland, SR5 3XB.

9. Closing Date: 30th November 2016