



Client Case Study

Barnardos negotiate free ESOS service for 900 site estate and secure 22% (£290k) in savings

Our Client

Barnardos is one of the largest UK charities who work to transform the lives of vulnerable children and young people. They spend £2.5M/year on energy across a portfolio of about 900 sites, and growing.



Our Challenge

The regulators surprised the charity sector in early 2015 by including them in the governments Energy Savings Opportunity Scheme (ESOS), requiring charities to conduct site audits across their estate. Barnardos were concerned about how they would fund this having received expensive quotes from ESOS service providers. After hearing about Beond's innovative integrated procurement and ESOS service, they requested an urgent proposal for assistance, given tight ESOS timeframes.

Our Approach

After several meetings with Barnardos' stakeholders, to understand their issues and requirements, Beond proposed a plan in which an ESOS project could be delivered and funded without any outlay.

Barnardo's also required an improved bureau service to include bill validation, portfolio management for the high churn of site additions and disposals plus site works and contract management for their estate and regeneration expansion plan.

Discussion led to the development of a bespoke contract which bundled all services to create significant savings and a self-funding route for energy services over the next 5 years.

The Results

Beond deliver the following results to Barnardo's within 3 months of their engagement:

- Conducted a risk strategy workshop to assess pros of simple fixed price contracts against the pros of flexible purchasing contracts to reduce price volatility. Barnardo's conclusion was to take advantage of current low prices and select the lowest cost fixed or flex contract.
- Commenced an ESOS project taking a pragmatic but high quality approach, by Beond's Lead Assessors focusing on a smaller number of sites, carefully selected to represent the entire portfolio of about 900 sites
- Ran a highly competitive and transparent gas auction for a fixed price contract which offered £89k per year savings over the incumbent broker's best benchmark quote
- Ran a formal tender in which six gas suppliers competed, delivering a 22% saving or £290k improvement against current prices over the next 3 years
- Commenced with the design and implementation of a bespoke bureau service
- Planned the electricity tenders to be held later in the year that will assess all fixed and flex contract offers.

"As a national charity falling within the Government's Energy Savings Opportunity Scheme (ESOS) criteria and with a portfolio of almost 900 sites, Barnardo's was faced with the problem of how to conform to the scheme's audit requirement in the most cost effective manner.

By using a sophisticated live energy auction platform provided by Beond, we were able to drive down supplier margins to a minimum, identifying 22% (£190k) gas savings after all ESOS and procurement fees were covered.

This innovative approach has allowed Barnardo's to create real energy saving opportunities, negate audit costs and become smarter in our buying of energy".

David Woodward, Assistant Director

About Beond

With over **500** major energy consumers under our management we have an excellent track record in delivering measurable success.

25

No. of suppliers actively participating in Beond tenders

9

No. of different suppliers currently used by our large flexible clients

2128

No. of live auctions completed in 2015

27

Highest number of bids in 2015 for a competitive auction client procurement tender

25%

Reduction in non-commodity infrastructure costs through demand management strategy

15%

Average potential energy savings identified from ESOS energy audits