



Client Case Study

Gwynedd Council Deploy OJEU Tendering Software To Lock Away £932k Gas Savings

Our Client

Based in Caernarfon Gwynedd Council is the governing body for the principal area of Gwynedd in North Wales. The Llŷn Peninsula and most of Snowdonia National Park are in Gwynedd along with Bangor, it's largest city.

As a local government area it is the second largest in Wales in terms of land area (984 square miles) and also one of the most sparsely populated with a growing population of 124,178.



Our Challenge

In March 2019, Gwynedd Council decided to examine their energy procurement options to help combat rising energy costs. This led to the council meeting with Beond at an event run independently by The Association for Public Service Excellence (APSE) then inviting them to present to the North Wales Energy Partnership (NWEPP).

Beond offered an opportunity to target savings by using their bespoke reverse energy auction software. However, to challenge the traditional public sector buying group was a risk. Furthermore time was limited to switch to a new procurement provider.

The tender was also complex given the volume of meters involved and the volatility of the market.

Beond

Building 11, Chiswick Business Park
566 Chiswick High Rd,
London, W4 5YS

T: +44 208 634 7533
E: info@beondgroup.com
www.beondgroup.com

**Pushing the
boundaries in
energy design**

Our Objectives

Gwynedd Council created a strategy based on the following objectives:

- Providing best value for the next renewal contracts
- Maximizing supplier competition for all 150 gas meters
- To have a fully transparent tender process
- Group electronic billing
- Retain AMR data provision from the winning supplier
- Negotiate free bill validation and reporting
- Benchmark the tender results against the traditional public sector buying groups

The Results

Gwynedd Council managed to secure the following:

- The e-Auction invited 9 suppliers of which 7 qualified for the OJEU tender
- Qualifying suppliers were assessed for financial standing, billing capability and social value
- Bids were provided for 1,2,3 and 4 year contracts
- The gas auction attracted 59 bids for 150 meters
- Repeat bidding forced suppliers to reduce their margins significantly
- The savings produced were £233k per year against the current rates
- Total savings against the traditional public sector buying group's 12 month benchmark was £263k (30%)
 - £181k (24.3%) is attributed to better market timing
 - £82k (5.7%) is attributed to the auction software forcing greater competition and efficiency gains

Testimonial

"By adopting an independent approach to our gas procurement Gwynedd Council have created significant savings against the traditional bulk buying procurement methodology.

The use of proven technology and sound market intelligence clearly offers a competitive edge. The overall process also offered more choice and more transparency and we are delighted with the results."

Gwynedd Council have now published a DPS framework to allow other public sector bodies to take advantage of this process and technology.

Councillor Craig ab Iago (Cabinet Member for Housing and Property)

For further information about any of our services please call Beond on 0208 634 7533 or email info@beondgroup.com

About Beond

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

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Different suppliers bid for the business

24.5%

Savings delivered through 2020-24 competitive OJEU tender

£932k

Savings using eAuction Software

£50k

Value added bill validation services negotiated gratis by Gwynedd Council

8,850

Meter bids were assessed during the auction

4-Year

Delivering budget certainty and savings for 48 months