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CASE STUDY: Procurement

NORTH LANARKSIRE LEISURE TRUST BEAT CONSORTIUM BID BY £238,000

About North Lanarkshire Leisure



North Lanarkshire Leisure Ltd is an exciting new company formed in September 2006 as a 'non for profit' charitable trust. The purpose of the company is to deliver sport, recreational and health improving services to the community of North Lanarkshire.

NLL is the 4th largest sport & leisure trust in Scotland, employing over 400 staff. The company is responsible for the management and operation of a number of facilities and activities including 10 sport and recreation centres, 7 swimming pools and 2 golf courses. NLL also has one of the most successful membership schemes in Scotland, with almost 12,000 "Access NLL" members at present.

North Lanarkshire Leisure has seen continued growth, which has enabled further investment in facilities including a new state of the art gym installed and a number of refurbishments completed.

In addition, the company has been successful in achieving national awards for a number of initiatives including Quest for Sport and Leisure Management and an APSE award for Best Public/Voluntary Partnership Working 2007. Meanwhile, their "FAME Academy" project, which uses sport and activity to promote social inclusion in the community, has received national recognition for "leading the way" in Scotland.



Case History

Due to NLL's continuous demand to create capital for investment the organisation decided to examine their energy costs. STC were commissioned in August 2007 to review their procurement strategy and analyse the market for potential savings.

Since 1997 NLL had procured its energy through a large buying consortium whose combined annual spend exceeded £60m. After reviewing the current strategy it was found that they did not benefit from the complexities of consortium tendering. This was because the tender received few bids, all sites were given a global price and the larger NLL sites were potentially subsidising smaller supplies in the group.

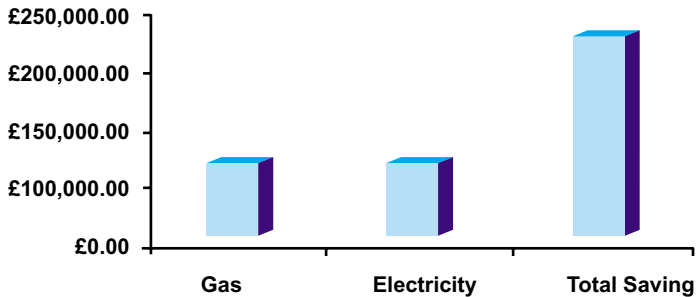
STC designed new procurement strategy and used market intelligence to place the portfolio with the most appropriate suppliers.

The tender responses for both gas and electricity were significantly advantageous when compared to their current consortium offer.

Key Achievements

- /// Tendered and registered contracts within 6 weeks.
- /// STC's offer produced total savings of £238,000 p/a against the consortium offers.
- /// Negotiated 1 year HH and NHH electricity contracts with £115,170 annual savings.
- /// Negotiated a 1 year gas contract with 25% annual savings equating to £112,957.

STC Procurement Savings



Blane Dodds
Chief Executive North Lanarkshire Leisure Ltd

"After employee costs, energy costs are our greatest budgeted expense. Having transferred from North Lanarkshire Council in September 2006, North Lanarkshire Leisure Ltd continued to procure energy through a consortium arrangement which extended to March 2008. Following average contract price increases of over 32% in April this year, we were concerned about the impact this had on NLL as a high user of energy, especially at a time when there was a decrease in price at consumer level. STC were able to provide market comparisons and demonstrate an opportunity to generate real efficiency savings through procurement. The result has been excellent, with almost £0.25m of savings per annum being identified. In addition, NLL have appointed STC to provide a Bureau Service to identify further savings through greater analysis of our consumption and introducing energy efficiency measures."



About STC Energy

Established in 1989, STC Energy is a specialist consultancy providing energy services to help organisations effectively manage their utilities.

Our products include: M&T Software, Bureau, Procurement, AMR, Site Operations, Energy Certification and Carbon Management.

STC is both ISO 9001 and ISO 27001 registered and we provide all customers with the highest level of service.

Contact our national team of experts today for an innovative approach to dealing with your energy services requirements.