

Mutual Energy Limited – Procurement Policy Summary Document

Summary of 3.3.0 Procurement Policy



mutualenergy 

A Northern Ireland company
working for consumers

1. Scope of the Mutual Energy Procurement Policy

Mutual Energy aims to manage our assets to the highest standards of safety, reliability and efficiency, whilst reinvesting any money we earn for the long term benefits of energy users in Northern Ireland.

A robust, responsible and sustainable procurement approach is therefore central to our business operations, ensuring we comply with all relevant legislation and guidance, whilst maximising the potential output and savings for Northern Ireland consumers.

All purchasing/procurement activities carried out by any employee or representative of Mutual Energy and its group of companies must meet statutory requirements, comply with the Group Procurement Policy, of which this document provides a summary, and adhere to other relevant Mutual Energy Policies.

2. Principles to be adhered to for Procurement

The following principles should be adhered to in procurement of any goods, services or works on behalf of Mutual Energy:

Legal Compliance

The Company is bound by The Utilities Contracts Regulations 2016 (as amended)¹.

The procurement of the supply of goods, services or works with a total value (best estimate) greater than the current relevant threshold figure, over the life of the contract (including any options or extensions), should be carried out through the Find a Tender service and in compliance with the Utilities Contracts Regulations 2016 (as amended).

Conflict of Interest

Potential conflicts of interest that a company or individual involved in the procurement process may have with any potential supplier should be declared at the outset of the tender.

Value for Money

Quotations and tenders should be evaluated not only on competitiveness in pricing but also the quality of the products/services.

Compliance with Company Health & Safety Policy

Any evaluation of the purchases of goods, works or services must take into consideration compliance with the Mutual Energy Health & Safety Policy.

Compliance with Company Environmental Policy

Any evaluation of the purchases of goods, works or services must also take into consideration compliance with the Mutual Energy Environmental Policy and Environmental Management System.

¹ N.B The new Procurement Act, which received Royal Assent in October 2023 and is expected to come into force in October 2024, will replace the Utilities Contracts Regulations. The existing legislation will apply until the new regime goes live, and will also continue to apply to procurements started under the old rules.

Where relevant and proportionate, consideration should also be given to requirements to report carbon emissions, waste disposal and water usage, as well as any relevant requirements in relation to demonstrating low carbon resource efficiency and requirements to reduce carbon emissions where possible when carrying out the provision of a contract.

Consideration of cyber security for Operational Technology (OT) services

Any procurement process in relation to OT services should give consideration to the Mutual Energy Cyber Security policy to ensure that suppliers have the ability to implement the required standard of controls and processes in our OT environments.

Supplier Relations

Mutual Energy will only do business on terms that are consistent with the Group's Business Principles and Code of Ethics.

Building trust and collaboration with key suppliers and contractors is encouraged.

Mutual Energy aims to be seen as an attractive client and as being progressive, efficient and reliable.

Gifts & Hospitality

Company employees should avoid accepting hospitality or gifts, which might appear to place them under an obligation.

Ethics

All Contracts and Procurement activity must be conducted with integrity and ethical behaviour consistent with the Mutual Energy code of ethics and business principals.

3. Procurement Process

Scope

In the course of fulfilling their role, any Company employee is likely to identify a need to purchase goods, services or works on behalf of the Company.

This could include:

- Purchases of any value e.g. purchasing paper for the photocopier to establishing a long-term contract for delivery of a key operational service such as grid control.
- Purchases of any type e.g. a one-off purchase, placement of a term contract, placement of a framework contracts, or establishment of a preferred vendor list.

Guidance

Materiality

The number of steps, the level of detail, the allocation of resources and the detail within each procurement step should be determined based on the metric of contract value.

The contract value will determine the approval levels, the choice of tender process, and whether early market engagement is required. We use standard terms and conditions, but may adapt to suppliers conditions in certain circumstances.

Evaluation Criteria

The contract Strategy should establish objective criteria for the pre-selection of contractors and suppliers and evaluation of offers of contract.

Suppliers and contractors are expected to secure work on the basis of quality, timeliness, cost and Health & Safety & Environmental performance of their products and services.

Policy Requirements during Contract

Variations, Amendments, Extensions, Claims

Contract variations, amendments or extensions must be strictly controlled to ensure that scope extension does not occur in an uncontrolled fashion.