

## Case Study:

### Expertise in RFP Process Provides Immediate Benefit

#### OPPORTUNITY

A plastics manufacturer with 16 North American sites recently became a client of Fellon-McCord. During our initial review of this client's energy contracts, it was discovered that its Texas facility had a power contract coming up for rollover. With market dynamics at that time, we realized there was an opportunity to negotiate a new contract. Since the client had not previously worked with an energy consultant or in open energy markets, they were not familiar with the benefits of a competitive RFP process.

#### SOLUTION

Fellon-McCord's supply desk was provided details regarding the contract rollover provisions, dates and volumes. The team immediately identified the risk to the client of just letting the contract rollover. Our recommendation was to cancel the rollover provision and to put the contract out for competitive bid. Initial responses from three suppliers resulted in the incumbent supplier not being competitive. Due to its long-standing relationship with the incumbent supplier, the client asked that we approach the supplier to negotiate better

pricing. The efforts of Fellon-McCord's supply desk resulted in the client remaining with its incumbent supplier while realizing competitive pricing and significant savings.

#### RESULTS

Our recommendation to the client to cancel its current power contract and put it out for competitive bid resulted in savings of more than \$1 million, representing a 43 percent savings from the contract rollover provisions. The savings were a result of Fellon-McCord's direct negotiation with the incumbent supplier and our market knowledge and recommendation, versus the terms of the prior agreement.

#### CONCLUSION

Fellon-McCord's expertise in power markets, and our understanding of specific regional issues, enabled us to recommend a course of action that led to significant year-over-year savings. Our experience in negotiating with numerous power suppliers made it possible for the client to remain with its incumbent supplier, which was important to them, at a much more competitive price than if the contract had been allowed to rollover.