

HOUSING AUTHORITY

Government Procurement

Housing authority utilizes U.S. Communities program to reduce energy expenditures 15% and increase procurement efficiency.



Housing authority with more than 500 units saves 15% on their annual electricity costs.

Services Provided

- Market Research & Intelligence
- Strategic Risk Management
- Supply Management & Procurement: Electricity

Opportunity

- Our client is a housing authority that had been paying \$500,000 annually in electricity costs to power common areas. Although their existing contract did not expire for two years, they had an immediate opportunity to reduce their costs. However, due to a lack of resources, they had not planned to address electricity procurement until later in the year.
- Separately, housing residents struggled to find good rates and maintain electricity service when vacating and entering their units.

Approach

- We educated them on the U.S. Communities program, as well as Tradition's Energy Management and Consulting Contract. In addition to the energy Contract, the housing authority also saw several other U.S. Communities contracts they could utilize, which could save them valuable administrative time and costs.
- Tradition consulted the housing authority on establishing an energy procurement strategy, wholesale market pricing research, and procurement timing. We were able to move forward with securing a new agreement.
- We also negotiated an energy agreement structure that allowed residents to receive a discount on their own electricity service, while keeping electricity service consistent as units are vacated.

Results

- With Tradition's support and advice, the housing authority was able to take advantage of the market opportunity to reduce future costs instead of waiting until they were closer to their expiration date. They executed a forward energy agreement that will **save them 15% on their electricity costs each year**. The agreement also helps them more efficiently manage electricity service when units are vacated.
- Utilizing Tradition as their advisor allowed the housing authority to outsource their energy procurement needs and to control administrative costs.