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Contract

Acquisition and Implementation of a Billing and Customer Management System for a Gas Supply Company

FIRMUS ENERGY (SUPPLY) LIMITED

F06: Contract award notice – utilities

Notice identifier: 2025/S 000-063005

Procurement identifier (OCID): ocds-h6vhtk-05a9df

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Section I: Contracting entity

I.1) Name and addresses

FIRMUS ENERGY (SUPPLY) LIMITED

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London

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Email

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Country

United Kingdom

Region code

UKI - London

Companies House

05369108

Internet address(es)

Main address

www.firmusenergy.co.uk

I.6) Main activity

Production, transport and distribution of gas and heat

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Acquisition and Implementation of a Billing and Customer Management System for a Gas Supply Company

II.1.2) Main CPV code

- 72000000 - IT services: consulting, software development, Internet and support

II.1.3) Type of contract

Services

II.1.4) Short description

This notice relates to modification of an existing contract for Acquisition and Implementation of a Billing and Customer Management System for a Gas Supply Company entered into between Firmus Energy (Supply) Limited ("FES") and Lognet Billing Limited ("Lognet") on 10 December 2019 (contract). That modification has been undertaken pursuant to Regulation 88(1)(b) of the Utilities Contracts Regulations 2016 and has been necessary for the reasons set out in section II.2.4. A modification notice (Ref: 2025/S 000-062985) has also been published in Find a Tender in respect of this contract modification.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 48100000 - Industry specific software package
- 48217000 - Transaction-processing software package
- 48330000 - Scheduling and productivity software package
- 48442000 - Financial systems software package
- 48445000 - Customer Relation Management software package
- 48612000 - Database-management system
- 48613000 - Electronic data management (EDM)
- 72000000 - IT services: consulting, software development, Internet and support

II.2.3) Place of performance

NUTS codes

- UKN0D - Antrim and Newtownabbey

Main site or place of performance

Antrim

II.2.4) Description of the procurement

This notice relates to modification of an existing contract for Acquisition and Implementation of a Billing and Customer Management System for a Gas Supply Company entered into between FES and Lognet on 10 December 2019 (contract). That modification has been undertaken pursuant to Regulation 88(1)(b) of the Utilities Contracts Regulations 2016 and has been necessary for the reasons set out below.

The description of the modifications that have been made to the contract (including those made under a previous amendment agreement) is as follows:

Contract Term

The contract commenced on 10.12.19 for an initial term of 3 years with options for FES to extend by 2 periods of 12 months each. Having exercised both options, the parties entered into an amendment agreement on 23.12.24 ("Amendment 1") which extended the contract to 31.12.25. The parties then entered into a further amendment agreement on 10.09.25 ("Amendment 2") which extended the contract by 3 years with an option for FES

to extend by a further 12 months.

Minimum Licence Fees

The contract set minimum licence fees based on the number of subscribers, with additional licence fees covering additional subscribers. Under Amendment 1, those minimum licence fees and subscriber numbers were increased; and then further increased pursuant to Amendment 2.

Please see section VII.2.3 of the modification notice for details of amendment to contract value resulting from the amendments above.

Exchange Rate

Amendment 2 introduced a mechanism for sharing exchange rate risk equally between the parties.

Professional Services Rates

The contract included a professional services rate table. Amendment 1 and Amendment 2 increased the current professional services rates. Amendment 2 included a mechanism for uplifting rates annually.

Helpdesk

Under the contract, FES agreed to pay for a helpdesk support service. Amendment 1 increased this the annual fee for this support service; and Amendment 2 provided an option for a pay per use service instead of an annual fee.

Liability Aggregate Cap

Under Amendment 2, Lognet's total aggregate liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the contract was increased to reflect the higher contract value.

Customer Data Arrangements

Under Amendment 2 Lognet agreed to provide FES with data reporting capability.

Disaster Recovery and Business Continuity Plan

Under the contract Lognet agreed to put a disaster recovery and business continuity plan in place. Amendment 2 included a more detailed process for the preparation,

implementation, review and testing of the disaster recovery and business continuity plan.

Escrow

The contract made provision for all source code to be put in escrow with a third party agent. Amendment 2 obliged the parties to put a new escrow agreement in place with revised terms to those detailed by the original contract.

Transitional Services

Under Amendment 2 Lognet agreed to, upon request by FES, provide transitional services on termination of the contract.

Service Levels

Amendment 2 updated the service levels set out in the contract.

These changes to the contract have been made pursuant to Regulation 88(1)(b) of the Utilities Contracts Regulations 2016, to enable the provision of additional services by Lognet that have become necessary and were not included in the original procurement as a change of contractor: (a) cannot be made for economic and technical reasons; and (ii) would cause significant inconvenience and substantial duplication of costs for the utility.

Under the contract, Lognet licenses, and provides support and other services for, a customised Maxbill billing and customer management system (system) to FES. FES relies on the system to provide a platform for billing all types of customers across all varieties of sectors of domestic and commercial properties. The system provides a pricing platform to calculate a customer bill which in turn enables the business to report for month end financial and regulatory purposes. The system is also the main point of information for the customer services team to answer queries and faults relating to a customer account. Any changes to a customer's gas meter are also updated through the system and come from the network operator (with each network operator having its own billing structure that has to be adhered to within each network area). The system is a crucial part of FES' business and is the main source for reporting across all areas of the business.

The system has been heavily customised by Lognet to meet FES' specific (and very complex) business requirements. The system has also been heavily customised by Lognet to meet Northern Ireland regulatory and market structure requirements; in particular the regulatory and licence requirements that apply specifically to FES. The Northern Ireland gas market regulations are very different to the rest of the UK (and indeed the Republic of Ireland); the market is very customer focused, and billing systems integrate annual reporting requirements and price controls to ensure fair pricing for customers and regulatory compliance, therefore a level of flexibility is needed, which in turn requires a fairly complex system. When a new licence or regulation is implemented at

industry level, due to the complexity of the system, FES is reliant upon Lognet to further develop, customise and then support the system to adapt to the new requirements.

In addition to the complexity of the FES billing workstreams and NI specific market and regulatory customisation, the system has also been integrated with multiple third party software providers' products, which is a bespoke arrangement to FES. This includes integration with meter reading, PayPoint transactions, information that comes from the network operator and servicing of direct debit payments.

The system is a bespoke and proprietary utility system that has not been licensed by Lognet to any third party for resale/support. FES does not hold sufficient licence rights to undertake, nor would it be capable of undertaking, the requisite development and support services necessary to meet its complex requirements. Lognet is therefore the only party that can renew the licences and provide the support required by FES for the system for the period specified above.

FES does not believe that there is any alternative "off the shelf" solution that would be readily available to meet its, or the NI regulatory/market, requirements. It is also FES' belief that any potential alternative new solution that may be available would require heavy customisation to meet these requirements. Any potential alternative solution would involve FES acquiring, and paying another supplier to develop and customise, a new system (to provide the same functionality as the current system already offers, which would involve substantial cost duplication and significant inconvenience for FES), which would take a minimum 2-3 years to customise and implement. Even if it transpired that FES' belief was incorrect and an off the shelf system was in fact available, a software development and implementation project of this scale would require a minimum of 1.5 years from sourcing to go-live. FES therefore does not believe that there are any other feasible alternative short-term solutions to extending the existing licensing and support of the system for the period provided for in Amendment 2, particularly due to the volume of customers FES holds, the complexity of billing transactions and workflows, regulatory and market requirements and the fact that only Lognet can renew the licences and provide the support required for the system during the extension period. FES therefore considers there are significant economic and technical reasons why a change in contractor cannot be made in the circumstances.

II.2.11) Information about options

Options: Yes

Description of options

Amendment 2 extended the contract by 3 years with an option for FES to extend for a further 12 months.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

This notice relates to the modification of an existing contract in accordance with Regulation 88(1)(b) of the Utilities Contracts Regulations 2016. The changes to the contract have been made to enable the provision of additional services by Lognet that have become necessary and were not included in the original procurement as a change of contractor: (a) cannot be made for economic and technical reasons; and (ii) would cause significant inconvenience and substantial duplication of costs for the utility. A description of the changes made, and justification for making those changes, is set out in section II.2.4 of this notice. A modification notice has also been published in respect of this contract modification.

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2019/S 015-032588](#)

Section V. Award of contract

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

10 September 2025

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

Belfast

Country

United Kingdom