

Lockerley Oil Buying Group : The Background and Outline

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Background

Most of the people within a limited post code district – in this case SO51 0JN and SO51 0JP – have been contacted to see what promise there might be in co-ordinating heating oil orders so that a better discount could be negotiated from the possible suppliers. There appears to be sufficient interest to set up a scheme. There are other buying groups in the area in West Tytherley, Awbridge and Broughton. This group is not an exclusive club; the more that there are within a limited post code area the greater the chance of being able to aggregate the overall demand and negotiate a discount whenever there's a demand.

To achieve the best price suppliers need the group to be centred around a post code area such that the delivery journeys can be as short as possible. Those within, say, 1km of Lockerley Green, for example in the SO51 0JN, SO51 0JP, SO51 0JF and SO51 0JQ areas of Lockerley would immediately seem to be valid participants.

About the benefit

The greater the number of litres which can be delivered in a single delivery round the better bargaining power there is and the lower cost will be for those able to take a delivery. Indications are that if the sum of all of the demand reaches 10 000 litre then perhaps 3% discount off the best individual 1000 litre price might be achieved. This is very much better than the top up service pricing that has been reported by some participants recently. It should be a bit better than BoilerJuice because they provide a professional service and quite rightly need to make some money from it. It should be better than any individual negotiation for an individual 1000 litre delivery. That said there's a good indication of the current pricing at <http://www.boilerjuice.com/heatingOilPrices.php>.

Communications

Communications will be by email unless it is absolutely necessary to use some other means. Email will be used to ask if there are any participants who might wish to take some oil at this time. Those taking part will need to check their emails frequently in order to signal their intention to take part in any delivery and to note the delivery date. The email address for this scheme is oilbuying@lockerley.org.uk. This means that the role of co-ordinator can be easily passed to someone else without having to publish a new email address to all of the group's participants. If you do need to contact the organiser call 34 11 34.

How it will work

Initial soundings suggest that most people are OK for oil right now – December 2011 - but that, depending on the depth of the winter yet to come, there could be thirsty tanks by the start of March 2012. It looks like that might be the first time to seriously try out the scheme. Here are two ways to run this:

- ❖ One of the group has a need for oil and sends an email to oilbuying@lockerley.org.uk saying how much they would like.
- ❖ A request will be emailed to all participants asking if there are others who would like to take oil. Responses will usually be needed within two days.
- ❖ The responses will be added up and then chase for the best possible price can begin. Delivery should take place about a week later and will be noted in an email with the price.
- ❖ Every other month whoever is co-ordinating will send out a reminder to ask if anyone has a need for oil or would value a top up at advantageous prices.
- ❖ All of the responses will be added up and the negotiations with the range of suppliers will be undertaken to achieve the best possible price. Delivery should take place about a week later and will be noted in an email along with the price.

If there are not sufficient participants – the initial minimum target is for a delivery totalling 5000 litre - then the person(s) needing it will need to negotiate directly with a supplier. If you indicate that you will take a delivery you will be committing to it and the organisers of this scheme can not accept any liability. There's no cost involved in taking part – this is an entirely voluntary and community based activity. You don't have to take part in one of the oil deliveries if you don't need it or don't want to.

There's a reliance on email for this so it will be important to respond quickly in order for this to work.

A sheet with the key information about who wants oil, how much, address and telephone number, any additive and special delivery instructions will be sent to the selected supplier. In order to avoid spam the email address will not be sent to the supplier. You should indicate whether you want:

- ❖ The minimum legal delivery of 500 litres. This would be the default delivery.
- ❖ A specific volume – for example 800 litres.
- ❖ A full tank load. Some tanks can take over 2000 litres.

The most likely suppliers

There are four suppliers with whom brief discussions have been had so far: Evesons, Total Butler, Watsons Minster, Tincknell. There are other suppliers and whoever does the negotiation will no doubt work through them to achieve the best possible price for us all. It is assumed that all deliveries can be made using a usual tanker parked on the road side.

If you do not have an account with the supplier that is chosen they will contact you for the payment method – usually credit or debit card – and, from that time, you will have an account with them. If you do have an account then you will be billed and charged in the usual way. All financials are handled by the supplier and no-one in the group is involved. In taking part you will be accepting that you will honour your bill.

The information that suppliers will need

There's some key information that a supplier will need to have and which will be included on the order sheet. It will include the telephone number but will not include the email address. Please provide the information even if you think it is obvious as that will ensure that it is correct. Privacy will be as protected as much as reasonable.

Info	example of information
Surname	My_surname
First name of the person the delivery driver should use to check that they have the right address	A_forename
Name of the house – it will help the deliverer to avoid a mix up and is used to establish a new account if needed.	My_house_name
House address first line	Lockerley Green, East Dean Road, Top Green &c
House address second line if needed	
Post code	SO51 0J
Telephone number – land line only as mobile reception is mythical	017 94 34
Your email address – The email is used by whoever runs the scheme as it is the primary way in which contact is made. The email will not be released to suppliers.	
Additive required. Some users of Agas like to have an additive added at the time of delivery. It adds about 2p/litre on 1000 litre. Other Aga owners do not want any additive because it has clogged up their burner. The default value is NO.	NO
Delivery instructions. These are important and will help to avoid disappointment. For example, a long hose is needed, contact house holder for oil tank key, tank located at rear of garage, contact prior to pumping, do not use spill stop, manually monitor the oil filling, post tank key in house after filling the tank.	Tank at rear of house. Access by the side of the garage. About 30 hose needed. Contact householder on arrival if possible for tank key. Monitor oil delivery manually in order to reduce the risk of spill.