

**REPORT TO:** Executive Board

**DATE:** 4 June 2015

**REPORTING OFFICER:** Strategic Director, Policy and Resources

**PORTFOLIO:** Transportation

**SUBJECT:** Liquid Fuel Contracts – Supply of Diesel, Kerosene and Gas Oil

**WARDS:** Borough-Wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to notify members that the current Contracts, which the Council has in place for the supply of fuel, expire on 30<sup>th</sup> September 2015 and to request that members support the inclusion of the Council in a new tendering exercise.
- 1.2 The current Contracts were awarded under a National Framework procured by Crown Commercial Services (CCS) in compliance with the EU Public Contracts Regulations 2006 (as amended). CCS is an executive agency sponsored by the Cabinet Office that provides commercial services, including buying services, to the public sector. CCS will be running a new bulk competition under the Framework for the Supply of Liquid Fuels this year. Halton Borough Council has the opportunity to be included in this procurement exercise.

**2.0 RECOMMENDATION: That in line with Procurement Standing Order 1.3.1, Members support the inclusion of the Council in the new CCS procurement exercise for the Supply of Liquid Fuels.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 There are currently two Liquid Fuel contracts in place with a total expenditure of in the region of £700,000 per annum. The main contract covers the supply of Diesel for all Council sites that have this requirement and the second contract covers the supply of Kerosene and Gas Oil to all Council sites that have this requirement. Both Contracts expire on 30<sup>th</sup> September 2015.
- 3.2 CCS is commencing a new procurement exercise to award new call-off Contracts under the Framework for the provision of Liquid Fuels. By joining this procurement exercise, the Council will be able to award new Contracts for its fuel requirements, to commence on 1<sup>st</sup> October 2015, for a 2 year period. A two year contract has been estimated at £1.4m.
- 3.3 Fuel pricing can be volatile and it will be necessary to manage changes in these prices within the available revenue budgets.

#### **4.0 POLICY IMPLICATIONS**

4.1 The new contracts will be procured in-line with procurement standing orders. Normally, contracts are awarded based on price and quality criteria. CCS will award the call-off contracts on behalf of public sector organisations based solely on price. The qualitative element has already been evaluated by CCS when the Framework was set up. The economies of scale that should be achieved through this exercise aim to offer value for all participating organisations.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 Funding for these fuel costs is met from the Fleet Management and Maintenance budgets.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children and Young People in Halton**

None

##### **6.2 Employment, Learning and Skills in Halton**

None

##### **6.3 A Healthy Halton**

None

##### **6.4 A Safer Halton**

None

##### **6.5 Halton's Urban Renewal**

None

#### **7.0 RISK ANALYSIS**

7.1 There are no unforeseen risks anticipated with acceptance of this Procurement strategy.

#### **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 There are no direct equality and diversity issues arising from this report.

#### **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 There are no background papers under the meaning of the Act.