

REPORT TO: Executive Board

DATE: 14th October 2021

REPORTING OFFICER: Strategic Director
Enterprise Community & Resources

PORTFOLIO Environment and Urban Renewal

SUBJECT: Preliminary Estimates for Liquid Road Fuel
Contracts – Supply of Diesel, Kerosene, HVO
and Ad Blue

WARDS: Borough-Wide

1.0 PURPOSE OF THE REPORT

1.1 To seek approval for the Council to be included in a national procurement exercise in order to award Contracts for the supply of Liquid Road Fuels to Council sites.

2.0 RECOMMENDATION: That: the Board

2.1 Approves the use of Procurement Standing Order 1.4.1 to allow the Council to use a Framework Agreement procured by a Central Purchasing Body (Crown Commercial Services) in compliance with the Public Contracts Regulation 2015, in order to award Contracts for the supply of Liquid Road Fuels to Council sites.

3.0 SUPPORTING INFORMATION

3.1 The Council currently has a Liquid Road Fuel contract and a contract for the provision of Ad Blue in place with a total expenditure of in the region of £488,000 per annum. These contracts supply Council sites with diesel and Ad Blue.

3.2 Both Contracts were awarded under a national Framework Agreement procured by Crown Commercial Services (an executive agency sponsored by the Cabinet Office that provides commercial services, including buying services, for the public sector.) in compliance with the Public Contracts Regulations 2015. The Contracts expire on 31st March 2022.

3.3 Crown Commercial Services are commencing a new procurement exercise to award new call off Contracts under the Framework for the provision of Liquid Road Fuels including Hydrotreated Vegetable Oil (HVO). By joining this procurement exercise, the Council will be able to award new Contracts for its fuel requirements for the period 1st April 2022 to 31st March 2024 (24 months).

3.4 The budget identified for these Contracts is £668,000 per annum (cost centre 4070). A 24 month contract has been estimated at £1,376,000.

4.0 BUSINESS CASE

- 4.1 The position under the Public Contracts Regulations 2015:- The Liquid Road Fuels Framework has been tendered by Crown Commercial Services (CCS) in line with EU Regulations. The Framework has been structured in such a way that call off contracts for public organisations can be awarded through a bulk competition run by CCS based on 100% price. The qualitative elements have already been evaluated by CCS when the framework was set up.
- 4.2 Value for Money – The use of a national central purchasing body with increased purchasing power will offer economies of scale for the Council. The procurement exercise will also save Council resources as CCS manage the majority of the procurement process.
- 4.3 Transparency - Contracts will be recorded in the Council's Contract Register accessible via the internet together with the publication of all spend in excess of £500.00. Award details will also be published on the Contracts Finder website.

5.0 CLIMATE CHANGE

- 5.1 The Council has passed a Climate Emergency Motion which commits the Council to a number of actions to reduce its Carbon Footprint in relation to our own business activities and those of the wider community. In addition, the Government has announced they will end the sale of new petrol and diesel cars and vans by 2030, with all new cars and vans being fully zero emission from 2035.
- 5.2 The Council had made significant progress over many years to reduce its Carbon Footprint and emissions had reduced significantly from a 2008 baseline. The Council is currently developing a Climate Change Action Plan which will be published in the autumn of 2021. As part of the Action Plan the Council will develop plans to transition its fleet from petrol/diesel to lower emission vehicles. This work will take some years to complete and in the meantime to ensure ongoing service delivery this current fuel contract is required.

6.0 POLICY IMPLICATIONS

No direct impact

7.0 OTHER IMPLICATIONS

None

8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

8.1 Children and Young People in Halton

No direct impact.

8.2 Employment, Learning and Skills in Halton

No direct impact.

8.3 A Healthy Halton

No direct impact.

8.4 A Safer Halton

No direct impact.

8.5 Halton's Urban Renewal

No direct impact.

9.0 RISK ANALYSIS

There are no risks anticipated with acceptance of this Procurement Strategy.

10.0 EQUALITY AND DIVERSITY ISSUES

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

11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

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