

PROCUREMENT OF LIQUID FUEL

**FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR
CHRISTOPHER WEAVER)**

AGENDA ITEM: 4

Reason for this Report

1. To seek cabinet approval to run a further mini competition for liquid fuel through the National Procurement Service (NPS) Framework for supply of fuels and associated products and services NPS-FT-0093-18. The duration of the arrangement will run from 1st December 2019 to 1st April 2023. The contracted value of this procurement will be £5.5m. Cabinet to approve evaluation criteria for mini competition, which is in line with framework guidelines and issuing of tender documentation.
2. To delegate authority to the Corporate Director Resources in Consultation with the relevant Cabinet Member:
 - i. Deal with all ancillary matters pertaining to the mini competition.
 - ii. Award a User Agreement with the Provider selected (most economically advantageous provider) and placing orders under the contract.

Background

3. The incumbent provider for supply of fuel is Certas Energy UK, the Council spend approximately £1.65 million annually on diesel for its two main bunkered sites at Coleridge road and Lamby way. This tender will be for the bulk provision at these respective sites.
4. The NPS have recently awarded new contract as of 1st April 2019 and we would look to undertake a mini competition off Lot 1 (all fuels) for the supply of diesel. Cardiff are currently listed in Zone 3 with the following authorities:

Zone 3 - Bridgend, Vale of Glamorgan, RCT, Cardiff, Caerphilly, Merthyr Tydfil, Newport, Torfaen, Blaenau Gwent, Monmouthshire, Powys (Radnorshire), Powys (Breconshire)

There are five suppliers listed on Lot 1

5. The purpose of the mini competition would be to ensure that that margin paid above weekly Platts price for fuel is the most competitive one for the

authority. At present we get an all wales price. However we would get a more competitive margin if we tendered this for the (Cardiff area) 2 respective sites on full load deliveries.

Evaluation

6. The evaluation will be undertaken in line with the framework guidelines and the evaluation will be carried out on a 100% price basis.

Reason for Recommendations

7. The approvals requested in this Report will allow the Council to ensure value for money has been achieved and the continuance of a fully compliant contract.

Procurement Implications

8. Commissioning and Procurement will be supporting Central Transport Services and running any mini competition in line with the guidelines stated in the NPS documentation to ensure full compliance with processes.

Financial Implications

9. The Report outlines that there may be potential to secure a more competitive rate through tendering for the Cardiff area and indications are that this should be deliverable within existing resources. However, as with any procurement process, financial implications will need to be fully evaluated once the results of the mini competition are known.

Legal Implications

10. The report recommends that approval is given to commence a procurement off an existing framework.
11. Any Call off contract must be carried out in accordance with the Call Off Process set out in the Framework Agreement. Legal Services are instructed that the tender process and the evaluation criteria proposed will accord with the Framework Agreement and call off process. It should be noted that the terms and conditions will be those as set down by the Framework Agreement and the client department should satisfy themselves as to whether they are suitable for their requirements.

Equalities Impact Assessment (EIA) has been completed and is attached in Appendix 1.

RECOMMENDATIONS

Cabinet is recommended to

1. i) Agree that Officers run a mini competition for liquid fuel through the National Procurement Service (NPS) Framework for supply of fuels and associated products and services NPS-FT-0093-18. The

duration of the arrangement will run from 1st December 2019 to 1st April 2023. The contracted value of this procurement will be £5.5m.

- ii) approve evaluation criteria for a mini competition of 100% price, which is in line with framework guidelines
 - iii) approve the issuing of tender documentation.
2. Delegate authority to the Corporate Director Resources in consultation with the relevant Cabinet Member to:
- i) Deal with all ancillary matters pertaining to the mini competition.
 - ii) Award a User Agreement with the Provider selected (most economically advantageous provider) and placing orders under the contract.

SENIOR RESPONSIBLE OFFICER	CHRIS LEE CORPORATE DIRECTOR RESOURCES
	20 September 2019

The following Appendix is attached:

Appendix 1 - EIA