

**WEST DUNBARTONSHIRE COUNCIL****Report by Strategic Director – Transformation & Public Service Reform****Tendering Committee: 04 December 2019**

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**Subject: Contract Authorisation Report - Provision of Fuel Cards and Associated Services**

**1. Purpose**

- 1.1** The purpose of this report is to seek the approval of the Tendering Committee to authorise the Strategic Lead - Regulatory to conclude the award of the contract for the Provision of Fuel Cards and Associated Services.

**2. Recommendations**

- 2.1** It is recommended that the Tendering Committee:

- a) Authorise the Strategic Lead Regulatory to conclude on behalf of West Dunbartonshire Council (the Council), the award of the contract for the Provision of Fuel Cards and Associated Services to UK Fuels Limited; and
- b) Note that the contract shall be for a period of two years from 01 January 2020 with an option to extend for a further two x 12 months until 31 December 2023. The overall estimated value of the contract over four years is £672,000 ex VAT.

**3. Background**

- 3.1** The Council has a requirement for the refueling of its fleet (excluding refuse and heavy vehicles) at various local filling stations within the West Dunbartonshire area, using the provision of a fuel card as the method of payment.
- 3.2** Fuel cards provide a secure and efficient way of purchasing fuel, as it allows for fuel to be purchased without the need for staff to carry cash or reimburse personal expenses; along with providing a more efficient way of reporting on fuel spend. The fuel cards are assigned to specific vehicles or to departments (bearer cards) for a range of drivers to utilise across a range of vehicles to meet their refueling requirements.
- 3.3** The budget for the Provision of Fuel Cards and Associated Services was approved at the Infrastructure, Regeneration and Economic Development (IRED) Committee on 15 May 2019. This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the Public Contracts (Scotland) Regulations 2015 for Services. A Contract Strategy document was also approved by the Business Partner - Strategic Procurement (Corporate Indirects) on 15 October 2019.

#### 4. Main Issues

- 4.1** Historically, the Council has used the UK Government's Crown Commercial Services (CCS) Framework Agreements (FA) to source Fuel Cards and Associated Services and the Contract Strategy identified that this is the best route to market for this requirement. A mini competition conducted under this FA was published on the Public Contracts Scotland - Tender (PCS-Tender) portal. Three of the five FA providers invited to the mini competition submitted a response by the deadline of 12 Noon on 06 November 2019.
- 4.2** The three tender submissions were evaluated by representatives from Fleet and Maintenance Services, Corporate Procurement Unit and ICT Services, against pre-determined selection criteria forming part of the published tender documents which assessed competence, experience, and capacity. One tender submission passed the selection criteria.
- 4.3** One tender submission was taken forward to be evaluated against a set of award criteria which was based on a price / quality ratio of 40% / 60%. The price was evaluated as a net saving, as opposed to a cost. The scores relative to the award criteria of each tenderer, are as follows:

	Weighting	UK Fuels Limited
<b>Quality (60%)</b>		
Cost	6%	4.5%
Quality	30%	22.5%
Service	18%	13.5%
Social Benefits	6%	0%
<b>Quality Sub-Total %:</b>	<b>60%</b>	<b>40.5%</b>
<b>Price (40%)</b>		
<b>Price (Saving)</b>	-	<b>£2,260 per annum</b>
<b>Price Sub Total %:</b>	<b>40%</b>	<b>40%</b>
<b>Total Score</b>	<b>100%</b>	<b>80.5%</b>

- 4.4** It is recommended that the contract is awarded to UK Fuels Limited of Crewe, England, who has provided the most economically advantageous tender. The

duration of the contract shall be for a period of two years from 01 January 2020 with an option to extend for a further two x 12 months until 31 December 2023, at an estimated value over four years of £672,000 ex VAT. The value of the contract is below the value approved by the IRED Committee.

**4.5** UK Fuels Limited don't pay the Living Wage.

**4.6** UK Fuels Limited have not committed to the delivery of social benefits as a result of delivery of this contract.

## **5. People Implications**

**5.1** There are no people implications.

## **6. Financial and Procurement Implications**

**6.1** The financial saving in respect of this contract, £32,000; will be achieved from the approved revenue budgets of Fleet and Maintenance Services. The breakdown of the financial saving is based on £23,000 in reduced fees and £9,000 in rebates over the contract period.

**6.2** The price evaluation for fuel cards was based on the current estimated figure of 110 fuel cards. Prior to the implementation of the contract and issuing of new fuel cards, an exercise will take place to review the number of fuel cards required. Reductions to the number of fuel cards will lower the overall cost for the fuel cards and deliver administration efficiencies.

**6.3** This procurement exercise was conducted in accordance with the agreed contract strategy produced by the Corporate Procurement Unit in close consultation with Fleet and Maintenance Services officers and the provisions of Contract Standing Orders, the Financial Regulations and relevant procurement legislation.

## **7. Risk Analysis**

**7.1** The successful provider has no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.

## **8. Equalities Impact Assessment (EIA)**

**8.1** An equalities screening was undertaken for this report to determine if there is an equalities impact. The results were there is no equalities impact.

## **9. Consultation**

**9.1** The Service Lead from Roads and Transportation has been consulted regarding the Contract Strategy. Finance and Legal Services have been consulted on the contents of this report.

## **10. Strategic Assessment**

**10.1** The Provision of Fuel Cards and Associated Services will contribute to the delivery of the Council's strategic priorities by supporting the provision of efficient and effective frontline services that improve the everyday lives of residents.

Angela Wilson  
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21 November 2019

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**Appendices:** None

**Background Papers:**

1. Contract Strategy;
2. EIA Screening; and
3. IRED Committee report May 2019

**Wards Affected:** All