

North Lanarkshire Council

Report

Environment and Transportation Committee

approval noting

Ref AMcP/JS/GJ

Date 20/11/19

Fleet Procurement – Liquid Fuels

From ANDREW MCPHERSON, HEAD OF REGULATORY SERVICES AND WASTE SOLUTIONS

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Executive Summary

Committee is asked to note the actions taken by the Executive Director of Enterprise and Communities to approve the award of one call-off contract (the “Contract”) for the Supply and Delivery of Liquid Fuel. The total combined value of the Contracts is approximately £8,000,000.

Recommendations

Committee is asked to note the actions of the Executive Director of Enterprise and Communities to approve the award of the Contract to the supplier detailed below:

- Supply and Delivery of Liquid Fuel
 - Certas Energy Limited t/a Scottish Fuels £8,000,000

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (21) Continue to identify and access opportunities to leverage additional resources to support our ambitions

1. Background

- 1.1 Fleet Operations is responsible for the procurement of all vehicles, plant and subsequent liquid fuel to operate them for the Council to meet user department requirements.
 - 1.2 Consultation was undertaken with the various user departments in order to determine what the specific requirements were in terms of the provision of liquid fuel.
 - 1.3 The decision was to source requirements through CCS National Fuels Framework (RM3801), from which Scottish Procurement will call-off the framework by undertaking an eAuction, on behalf of North Lanarkshire Council as well as other public sector bodies in Scotland.
 - 1.4 Scottish Procurement made the decision to carry out a call off for the Provision of the Supply and Delivery Liquid Fuels covering Scotland, which was created on the requirements of users and aligned to RM3801 terms and conditions. Scottish Procurement decided to tender using the eAuction route in partnership with CCS, providing consistency for Scottish suppliers already operating in the Scottish market. Currently on the CCS framework there are four suppliers covering Scotland, including one Scottish SME.
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2. Report

- 2.1 In November 2018, Scottish Procurement engaged with the Council to confirm that they would be leading on the Liquid Fuels call-off re-let from the CCS National Fuel Framework. To help facilitate this process, they requested that the Council populate the site 'data pack', which detailed all the delivery points and future fuel requirements for the Council (specifically for these sites). This information was then used as part of the future eAuction exercise. This was in accordance with the CCS framework terms and the Council's General Contract Standing Orders.
 - 2.2 The 'data pack' contains details of the 33 sites that liquid fuels would be used or distributed. They include use for automotive purposes, for which diesel and petrol would be used and would apply to sites such as Strathclyde Park (Land & Recreation), Bellshill Complex (Fleet Services) or Souterhouse Road (Waste Management). Other liquid fuel usage would apply to areas such as primary schools (i.e. Greengairs, Kirk O'Shotts and Corpus Christi) where fuel will be used for heating purposes. All provisions were being fulfilled previously by one supplier, Certas Energy Limited (t/a Scottish Fuels) who are based in Larbert, Stirlingshire.
 - 2.3 In July 2019, Scottish Procurement informed the Council that they, in co-ordination with CCS had completed the eAuction via their framework, under the previously stated terms.
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3. Equality and Diversity

3.1 Fairer Scotland

No implications

3.2 Equality Impact Assessment

Not applicable

4. Implications

4.1 Financial Impact

The purchase cost for the Supply and Delivery of Liquid Fuel Contract is approximately £8,000,000.

4.2 Environmental Impact

The Council has responsibilities under the Climate Change Act, 2008, with regard to its Carbon Reduction Commitment (CRC). The Council will look to reduce the consumption of fuel through the use of new vehicles which meet the latest Euro 6 emissions standards which target a reduction on nitrogen oxides.

4.3 Risk Impact

The new liquid fuel enables the Council to better fulfil its statutory requirements in relation to automotive and heating purposes.

4.4 Community Benefits

The Council is committed to maximising the delivery of community benefits. The procurement conducted by Scottish Procurement included a community benefit requirement. Certas Energy Limited t/a Scottish Fuels has committed to delivering a range of community benefits, which include:

- Providing employee opportunities for learning and development.
- Launching a Modern Apprenticeship scheme nationwide and already have work experience placements nationally.
- Providing financial support and engagement to community group charities.
- Working towards reducing the spillage incidents to 2 per 10,000 deliveries and by 2020 reduce their Co2 impact by 20%.

4.5 Fair Working Practices

As part of the call-off agreement, Certas Energy Limited t/a Scottish Fuels have committed to the following Fair working practices:

- All employees are paid at least the Scottish Living Wage.
- They have a flexible working policy in place.
- They have no zero hour contracts.

5. Measures of success

- 5.1 This agreement will ensure that we continue to have continuity of supply for liquid fuel and also achieve Best Value on behalf of the authority.
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6. Supporting Documents

Appendix 1 Summary of Procurement and Evaluation Exercises

Appendix 2 SME Status and Location of all Tenderers



Andrew McPherson
Head of Regulatory Services and Waste Solutions

Appendix One – Summary of Procurement Procedure and Tender Evaluation Activities

Procurement Title	Supply & Delivery of Liquid Fuel			
Initial Contract Period	Three (3) Years and five (5) Months			
Contract period extension options	Twelve (12) Months			
Estimated Total Contract value	£8,000,000			
Contract Reference Number	NLC-CPT-19-083			
Contract Notice Reference	N/a			
Governing UK Regulation	The Public Contracts (Scotland) Regulations 2015			
Procurement Procedure	Call-off from National Fuels Framework, Crown Commercial Service (CCS), Vehicle Purchase (RM3801 framework).			
Evaluation approach adopted	The call-off mechanism utilised by Scottish Procurement on behalf of all nominated Scottish Public Sector bodies was an eAuction using the terms of the RM3801 framework.			
Number of recommended suppliers	1			
Basis of contract award	Quality	N/a	Price	N/a
Evaluation team names and job titles of Evaluators and their role in evaluation	Chris Gannon, Category Manager – Procurement Lead John Stewart, Assistant Business Manager (Fleet Services) – Price Verification Scottish Procurement – Quality & Price Evaluation			

Appendix Two – SME status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority/Council Area)
Certas Energy Limited t/a Scottish Fuels	Large	Falkirk - Falkirk Council