

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 15 May 2017

Portfolio:	Streetscene
Subject:	New Contract for the Supply of Oil and Fuels
Report of:	Director of Operations
Strategy/Policy:	Clean and Tidy Borough
Corporate Objective:	A safe and healthy place to live and work

Purpose:

This report considers the procurement process and the award of the contract for the provision of the supply of oil and fuels for Council vehicles.

Executive summary:

The current framework agreement from which the Council purchases oil and fuel for the operational fleet has expired. The Executive is therefore asked to consider and approve a recommendation to engage in a new framework agreement to ensure continuity of supply of these goods and achieve best value.

Recommendation/Recommended Option:

That the Executive:-

- (a) accepts the proposal to approve the usage of the Hampshire County Council framework; and
- (b) awards the contract to The WP Group.

Reason:

To enable the Council to maintain the provision of fuel for all Council vehicles.

Cost of proposals:

The cost of the fuel purchased through the contract can be met from the previously approved annual revenue expenditure programme. There is no additional cost to the Council for using the framework.

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Executive Briefing Paper

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Briefing by:	Director of Operations
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INTRODUCTION

1. Fareham Borough Council vehicles utilise a range of oil and fuel products including petrol and diesel for the majority of vehicles.
2. Each year Council vehicles use approximately 3,000 litres of petrol, 300,000 litres of Diesel for the majority of the fleet, and 50,000 litres of Gas Oil for use by small plant and mowers. This accounts for an annual expenditure of £300,000 per year across all services.
3. The Council has utilised the Hampshire Fuel framework for the past 12 years to ensure best value and continuity of supply.

PROPOSAL

4. The proposed contract replaces the current 4 year Hampshire Fuel framework which expired on 31 March 2017.
5. In order to comply with The Council's contract procurement rules, officers have identified an appropriate framework to purchase oil and fuels from. The Hampshire County Council framework is proposed on the basis of best value and continuity, as the council have utilised a similar Hampshire framework for the past 12 years.
6. Soft market testing has included researching alternative frameworks, which include a fee based on the volume of fuel purchased and tendering the contract directly with a supplier. The research has found that the Hampshire Fuel framework would save the Council approximately £10,000 per year based on current fuel usage and pricing compared with all other alternatives.

CONCLUSION

7. The new fuel and oil contract was reviewed with the procurement officer of the Council to ensure that it met all financial and statutory obligations. The contract specification has

been compared to the current fuel contract specification to ensure that it will be suitable for use across all vehicles that provide services across the Borough.

8. It is recommended that the proposed contract be accepted.

Enquiries:

For further information on this report please contact Kitty Rose, Refuse, Recycling & Transport Manager. (Ext 4747)