

**Agenda Item No 7(g)**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**20 September 2016**

**Report of the Strategic Director of Corporate Resources**

**SUPPLY OF FUEL CARDS - AWARD OF FRAMEWORK CONTRACT  
(COUNCIL SERVICES)**

**1 Purpose of the Report**

To seek approval to award a Framework contract, utilising the Crown Commercial Services (CCS) Framework 'Fuel Card and Associated Services' for the supply of Fuel Cards for a period of two years, with an option to extend for a further two years.

**2 Information and Analysis**

The Council currently has approximately 900 fuel cards and spends over £1m per annum on fuel and associated services to cover its vehicle fleet and some long-term vehicle hires. It is recognised that the use of fuel cards provides an efficient way to purchase fuel and ensures continuity of services and vehicle availability for departments across the Council.

Currently the Council uses All Star Business Solutions to supply fuel cards, which are available for use across a network of UK fuel stations. Under this arrangement the Council has benefitted from framework agreement prices which were agreed as part of the previous contract. This arrangement ended in 2014 and it is, therefore necessary to put in a place a contract to ensure the Council is fully compliant with EU procurement regulations for the purchasing arrangements for fuel.

The use of a fuel card contract provides reasonable cost certainty around fuel spend (within the variances of the fuel market), allows the Council's Fleet Management teams to control the number of cards, monitor usage and identify potential unauthorised or fraudulent spend. The successful card supplier will provide detailed management information for the Council.

To establish a compliant procurement, officers considered a number of procurement options, which concluded that the most appropriate route was to use the Crown Commercial Services (CCS) Framework 'Fuel Card and

Associated Services'. This framework is compliant with EU procurement regulations and is open to all local authorities.

The proposal to use the CCS framework was approved by Cabinet on the 26 July 2016.

A total of 6 providers are on the framework. The following criteria and weightings were used to assess tender responses and the bids were evaluated based on the most economically advantageous tender (MEAT):

- Price (40%)
- Quality (60%)

The total scores for each of the six suppliers are tabled below:

<b>Supplier</b>	<b>Total Score</b>
Fuel Card Services	97.87%
Barclaycard	97.41%
Allstar	96.49%
Shell UK	87.95%
UK Fuels	87.33%
MaxOil Ltd	68.50%

Fuel Card Services achieved the highest score in relation to the overall tender by offering the best value and quality when compared to the other bids. It is therefore recommended that they be awarded the contract.

### **3 Financial Considerations**

Based on the prices submitted the annual spend on this contract is estimated at £1.13m per annum giving a predicted total spend over the proposed four year contract of £4.52m. The number of cards the Council currently has will be reviewed at the point of changing to the proposed supplier and reduced to reflect the requirements of the Council.

The costs associated with this contract will be met from existing Council budgets.

The contract will be reviewed on a regular basis to ensure savings are being delivered.

### **4 Legal Considerations**

The use of a non-Derbyshire County Council Framework, under Protocol 2 of the Council's Financial Regulations, where the value of the goods in question

is above the OJEU threshold of £164,176, is a two stage process; approval is required initially from Cabinet to use the framework and secondly to make an award of contract under the Framework.

## **5 Social Value Considerations**

In considering the award of this contract work will be undertaken during the lifetime of the contract with the successful supplier where appropriate, to capture and deliver social value initiatives.

## **6 Other Considerations**

In preparing this report the relevance of the following factors has been considered: - prevention of crime and disorder, equality of opportunity; environmental, health, human resources, property and transport considerations.

## **7 Background Papers**

No

## **8 Key Decision**

Yes

## **9 Call-in**

Is it required that call-in be waived in respect of the decisions proposed in the report?

No

## **10 Officer's Recommendation**

That Cabinet approves the award of a Framework contract using the CCS framework 'Fuel Card and Associated Services' for the supply of Fuel Cards to Fuel Card services for a period of two years, with an option to extend for a further two years with effect from 1 December 2016.

JUDITH GREENHALGH

Strategic Director of Corporate Resource