

CABINET

8th March 2022

FUEL CARD CONTRACT PROCUREMENT & AWARD

Report of the Portfolio Holder for Planning, Highways and Transport

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/280122	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr I Razzell Portfolio Holder for Planning, Highways and Transport	
Contact Officer(s):	Penny Sharp – Strategic Director-Place	psharp@rutland.gov.uk
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Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the procurement mode and criteria for the award of RCC's Fuel Card contract.
2. Delegates authority to the Strategic Director for Places in consultation with the Portfolio Holder with responsibility for Transport to award the contract resulting from this procurement.

1 PURPOSE OF THE REPORT

- 1.1 This report sets out the procurement process to be followed and proposed award criteria for the procurement of the Council's Fuel Card contract, along with recommendations for approval and delegation of final award.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Rutland County Council (RCC) operate a fleet of vehicles which allow staff to deliver essential services, currently including:

- Staff Car Club – All staff
- Transport Operations – delivery of Local bus, home to school, post-16, SEN and Adult Social Care transport
- Library Services
- Premises Team
- Public Rights of Way
- Environmental Services

2.2 RCC Currently has a fuel card arrangement in place with Allstar Fuel Services which will reach the end of its 4 year contract on 16th September 2022. The new contract needs to be in place by the end of the current contract to ensure that there is no interruption to fuel supply to the fleet.

2.3 The current contract covers the supply and payment of fuel as well as administration and account management of the fuel card scheme.

2.4 In 2018 when procurement last took place, alternative options were considered and ruled out for the purchase of fuel, and those options included:

- purchasing large fuel tanks with a contract for bulk top-ups
- issuing purchasing cards to all staff
- Setting up a contract with 1 local fuel station only
- Requiring staff to pay for the fuel initially then claim back on expenses

2.5 The benefits of having a fuel card contract in place are:

- A fuel card contract represents best value as we receive a discount on the price at the pump for all fuel.
- Fuel cards provide accurate and detailed reports of the fuel usage of each vehicle, allowing RCC to pinpoint any inefficiencies within our fleet, and improve fuel economy.
- Fuel cards provide the ability to keep track of fuel spend easily and eliminates any issues with lost receipts and unrecorded transactions.
- All transactions for fuel and oil services are tied into one easy-to-read invoice and can be viewed on an account management tool.
- Reports available as part of the contract to help RCC to track carbon use and potentially assist with reviews on reducing carbon footprint.

2.6 The position for Rutland's fleet has not changed since the last evaluation of options and associated risks and so a fuel card remains the best option to meet the needs of Rutland provided the new contract achieves the following:

- Value for money
- Easy monitoring of transport carbon emissions
- Avoid interruption of fuel supply to fleet

- Easy to use and adequate coverage in the area
- Resilience of supply
- Enabling budget monitoring
- Flexibility to include other fuels eg EV charging

3 CONTRACT REQUIREMENTS

- 3.1 It is anticipated that a further 4 year fuel card contract will meet the needs of RCC's fleet usage going forward. A similar specification will be used to that of the previous tender in 2018 but with additions relating to low emissions and alternative sources of fuel, such as electric charging, to cater for any fleet changes we may make to reduce carbon emissions.
- 3.2 A key requirement for RCC is that there are two or more fuel stations in Oakham (where the main offices are) and five or more fuel stations in Rutland as a whole, where the suppliers fuel card is accepted for both petrol and diesel. There must also be sufficient fuel station coverage within the east midlands. The scoring criteria for the 'network coverage' element has been tailored to reflect these requirements.

Cards

Total: 44 Current cards in use.

	Annual usage (Litres)	Annual spend - all fuel
Diesel	32,510	£61,000
Petrol	12,980	

- 3.3 Due to the existing fuel card contract expiring in September 2022, a replacement contract is now due for tender to ensure contract award takes place with no gap in fuel supply service.

4 PROCUREMENT MODEL

- 4.1 An invitation to tender via a suitable framework will be advertised and is to be issued with support from the Welland Procurement Unit. We are currently awaiting the launch of a new Crown Commercial Services framework to compare against the NHS framework to ensure the most suitable route for procurement is selected. The procurement will follow the appropriate process in line with the Council's Contract Procedure Rules. The value of the contract for a 4-year period combined is above the EU threshold.
- 4.2 The specification will be based around our existing fleet requirements but will also allow for any possible changes to fleet and requirements over the next 4 years.

5 AWARD CRITERIA

- 5.1 Each written Further Competition will be scrutinised by a small panel and each scoring criterion will be awarded points as per the award criteria detailed in Appendix A.

- 5.2 Companies must meet quality criteria (initial screening) in order to be eligible to tender. These have been developed with support from the Welland Procurement Unit. In addition, service specific criteria are used.

Basis of award

- 5.3 Contracts will be awarded on the basis of 50% cost and 50% quality to a bidder provided the chosen framework allows this option.

Power to award contracts

- 5.4 Cabinet approval is sought to delegate authority to the Strategic Director for Places in consultation with the Portfolio Holder with responsibility for Transport to award the contracts resulting from this procurement.

6 CONSULTATION

- 6.1 This report has been developed in consultation with the Portfolio Holder.

7 ALTERNATIVE OPTIONS

- 7.1 The contract award could be brought back to Cabinet for approval rather than delegated to the Strategic Director for Places in consultation with the Portfolio Holder. However, this approach would delay the award and may impact the Council's ability to deliver its statutory obligations.

8 FINANCIAL IMPLICATIONS

- 8.1 The contracts to be awarded will be funded via the existing budget allocations for transportation split between fleet management and staff car scheme.

9 LEGAL AND GOVERNANCE CONSIDERATIONS

- 9.1 The fuel card contract procurement has been drawn up with the Welland Procurement Unit, in line with the requirements of the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

10 EQUALITY IMPACT ASSESSMENT

- 10.1 An EIA screening form has been completed and a full assessment is not required.

11 COMMUNITY SAFETY IMPLICATIONS

- 11.1 The Council is required by Section 17 of the Crime & Disorder Act 1998 to take into account community safety implications. No implications found.

12 HEALTH AND WELLBEING IMPLICATIONS

- 12.1 There are no health and wellbeing implications arising from this report.

13 DATA PROTECTION IMPLICATIONS

- 13.1 A data protection impact assessment has not been completed as there are no data protection implications.

14 ORGANISATIONAL IMPLICATIONS

- 14.1 TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) and subsequent amendments will not apply to the Fuel Card procurement.

15 ENVIRONMENTAL IMPLICATIONS

There are no direct environmental implications associated with the processes involved in the procurement and award of a fuel card contract. Fuel cards are viewed as a simple and cost-effective way to track and manage fuel related carbon emissions.

16 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 16.1 It is recommended that the decision to award the contract is delegated to the Strategic Director for Places in consultation with the Portfolio Holder with responsibility for Transport. This will speed up the process and decisions will be made in line with criteria in this report.

17 BACKGROUND PAPERS

There are no background papers attached to this report.

18 APPENDICES

- 18.1 Appendix A – Fuel Card Contract Scoring Criteria

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

APPENDIX A – Fuel Card Contract scoring Criteria

1) Network coverage

Please indicate your area of contract coverage within the East Midlands as per map supplied. For those fuel stations in Rutland the location details have been updated so that you can see the village/ town to which the postcode relates.

Please note – some postcodes have more than one fuel station.

2) Fraud prevention

please provide brief details of your anti-fraud measures, including, but not limited to:

- Anti-fraud measures on cards.
- Controls on products.
- Anti-fraud measures/ checks on fuel card and vendor staff.
- General account security.
- Fraud reporting procedures.
- Proactive fraud prevention measures.
- Fraud investigation and follow up
- General Data Protection Regulations (GDPR).

3) Price

Please complete the response spreadsheet for the individual fuel - outlining your fees and associated pricing for both diesel and petrol transactions.

Diesel

Estimated Annual Contract Spend (gross)	Card Fees	Transaction Fee	Transaction Fee at 'Preferred Brand'
(£/Customer/Year)	(£/Card/Year)	(£/Card/Transaction)	(£/Card/Transaction)
£41,000			

Estimated Annual Contract Spend (gross)	Rebate (30 Day Settlement Terms) (Pence Per Litre - PPL)
(£/Customer/Year)	
£41,000	

Petrol

Estimated Annual Contract Spend (gross)	Card Fees	Transaction Fee	Transaction Fee at 'Preferred Brand'
(£/Customer/Year)	(£/Card/Year)	(£/Card/Transaction)	(£/Card/Transaction)
£20,000			

Estimated Annual Contract Spend (gross)	Rebate (30 Day Settlement Terms) (Pence Per Litre - PPL)
(£/Customer/Year)	
£20,000	

Element	Percentage of total score available	Scoring criteria and points available
Quality (50% of available points)	40%	Network coverage (40 points) – consideration will be given to available forecourts in: <ul style="list-style-type: none"> - Oakham (20 points), - Rutland (10 points) and - the East Midlands (10 points). <p>For reference, the response spreadsheet highlights in green Rutland postcodes at which there is a fuel station.</p>
	10%	Fraud prevention (10 points) – consideration will be given to the following issues, although you are also free to refer to any other fraud prevention measures not included in this list: <ul style="list-style-type: none"> - Anti-fraud measures on cards. - Controls on products. - Anti-fraud measures/ checks on fuel card and vendor staff. - General account security.

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- Fraud reporting procedures.
 - Proactive fraud prevention measures.
 - Fraud investigation and follow up.
 - General data protection regulations.
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Pricing (cost effectiveness & price) (30% of available points) 50%

Fees and rebates (50 points) – your score for pricing will be calculated based on the total cost of diesel and petrol fees (when factoring in the estimated usage outlined in our profile – section 6), against the total rebate available for diesel and petrol fees (again, when factoring in the estimated usage in our profile – section 6).

Points will be allocated as follows and will be based on the combined diesel and petrol fees and rebate.

- Where the fees balance the overall rebate = 0 points
- Where the fees outweigh the overall rebate = 0 points
- Where the fees are outweighed by the overall rebate then the following formula will be used to calculate the percentage of points awarded:

(your rebate/the highest rebate received from all bidders)*100 = % of points allocated
