



**Report of:** Head of Fleet Services

**Report to:** Chief Officer, Civic Enterprise Leeds

**Date:** 11<sup>th</sup> May 2016

**Subject:** Authority to commence procurement exercise for the supply of liquefied fuel (liquefied natural gas)

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: 10.4 (3) Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. Since 2012 Chive Fuels have supplied liquefied natural gas under contract LCC5306 .
2. The contact was for a 2 year period with the option to extend 2 x 12 months.
3. All extension periods have now been taken and the contract ends on the 16<sup>th</sup> December 2016.
4. Approval is sought from the Chief Officer, CEL, for Fleet Services to commence a procurement exercise for the supply of liquefied fuel.
5. A project is underway for a dedicated fast fill gas station running off a high pressure main gas line to be built in the Crossgreen area but due to delays this is not expected to be commissioned until 2018 at the earliest.
6. The new contract will be for 18 months with the option to extend up to 30 months due to the unknown timescale for the new dedicated high pressure main gas station commissioning date.
7. The expected spend will be £100,000 per annum.

## **Recommendations**

The Chief Officer, CEL, is recommended to approve the request to commence a procurement exercise for the supply of liquefied fuel for 18 months with the option to extend up to 30 months from the 17<sup>th</sup> December 2017.

### **Purpose of this report**

- 1.1 The purpose of this report is to seek approval to commence a procurement exercise for the supply of liquefied fuel.

## **2 Background information**

- 2.2 Since 2012 Chive Fuels have supplied liquefied natural gas under contract LCC5306.
- 2.3 The contract was for a 2 year period with the option to extend 2 x 12 months.
- 2.4 The contract now has to be re-tendered as the contract ends on the 16<sup>th</sup> December 2016
- 2.5 A project is underway for a dedicated fast fill gas station running off a high pressure main gas line to be built in the Crossgreen area but due to delays this is not expected to be commissioned until 2018 at the earliest.
- 2.6 The new contract will be for 18 months with the option to extend up 30 months due to the unknown timescale for the new dedicated high pressure main gas station commissioning date.

## **3 Main issues**

- 3.1 The contract for the supply of liquefied fuel is essential for supplying the liquid gas storage tank at the Refuse Collection Depot, Crossgreen Industrial Estate. The fuel is used by major service users and is essential for the operation of dedicated CNG refuse fleet vehicles and dedicated CNG vans to carry out front line services such as refuse collection and housing repairs.

### **3.2 Corporate Considerations**

#### **3.1 Consultation and Engagement**

- 3.1.1 The decision to re-tender the contract has been discussed with Procurement and Refuse Collection.

#### **3.2 Equality and Diversity / Cohesion and Integration**

- 3.2.1 An equality, diversity and cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific group or individuals.

### **3.3 Council policies and City Priorities**

- 3.3.1 The services provided under this report will contribute to the Council's business plan through spending money wisely.

### **3.4 Resources and value for money**

- 3.4.1 The contract is to be re-tendered to enable market testing to take place and ensure best value is achieved.

### **3.5 Legal Implications, Access to Information and Call In**

- 3.5.1 Contract Procedures allows the contracts to be re-tendered before the expiry date of the 16<sup>th</sup> December 2016.

### **3.6 Risk Management**

- 3.6.1 Not carrying out a contract renewal would leave the Council with no fuel supplier and at risk of major front line service failure.

## **4 Conclusions**

Since 2012 Chive Fuels have supplied liquefied natural gas under contract LCC5306.

The contract was for a 2 year period with the option to extend 2 x 12 months.

The contract now has to be re-tendered as the contract ends on the 16<sup>th</sup> December 2016.

Approval is sought from the Chief Officer, CEL, for Fleet Services to commence a procurement exercise for the supply of liquefied fuel.

### **Recommendations**

- 4.1 The Chief Officer CEL is recommended to approve the request to commence a procurement exercise for the supply of liquefied fuel for an 18 month contract with the option to extend for 30 months commencing the 17<sup>th</sup> December 2016.

## **5 Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

