

Report of: General Manager Fleet Services

Report to: Director of Resources and Housing

Date: 16th August 2019

Subject: Authority to commence procurement exercise for the supply of liquefied fuel

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- Since 2015 Fleet Services have utilised the YPO (Yorkshire Purchasing Organisation) contract 618 for the supply of liquefied fuel.
- The contract ends on 20th November 2019 and is due renewal as there are no extensions available after the four year contract period comes to an end.
- Approval is sought from the Director of Housing and Resources for Fleet Service to commence a procurement exercise for the supply of liquefied fuel.
- The new contract will be for two years with the option to extend for a further two x 12 months and will commence 1st December 2019.
- The expected spend will be £4,000,000 per annum.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- Promoting a more competitive, less wasteful, more resource efficient, low carbon economy.
- Improving air quality, reducing pollution and noise.

3. Resource Implications

- Resources are available from both CEL and Procurement and commercial Services Section to meet the requirements of a tender exercises in order to award a contract for the supply of liquefied fuel.
- There are no additional resource implications once a contract for the supply of liquefied fuel is awarded.

Recommendations

- a) The Director of Resources and Housing is recommended to approve the request to commence a procurement exercise or utilise the YPO contract for the supply of liquefied fuel for 2 years with the option to extend a further 2 x 12 month periods from 1st December 2019 to the 30th November 2021.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to commence a procurement exercise or use the new YPO contract currently being tendered for the supply of liquefied fuel.

2. Background information

- 2.1 Since 2015 Fleet Services have utilised the YPO contract for the supply of liquefied fuel.
- 2.2 The contract now has to be re-tendered by YPO as the contract ends at the end November 2019.
- 2.3 YPO are currently in process of tendering the new contract.
- 2.4 Our current supplier off the YPO contract is Rix Fuels.

3. Main issues

- 3.1 The contract for the supply of liquefied fuel is essential for supplying bunkered fuel to the eight fuel sites located around the Leeds district. The fuel is used by all the major service users and is essential for the operation of fleet vehicles to carry out front line services such as refuse collection and passenger transport.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The decision to re-tender the contract has been discussed with Procurement.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 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.

4.3 Council policies and the Best Council Plan

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

Climate Emergency

4.3.2 The tender will ensure all fuel supplied will fully meet all legislation in regard to standards required by manufacturers engines to meet exhaust emission levels.

4.4 Resources, procurement and value for money

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

4.5 Legal implications, access to information, and call-in

4.5.1 Contract Procedures allows the contracts to be re-tendered before the expiry date of the 30th November 2019.

4.5.2 Given the value of the contract this decision is open to call in.

4.6 Risk management

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

5. Conclusions

5.1 Since 2015 Fleet Services had utilised the YPO contract 618 for the supply of liquefied fuel to the eight bunkered fuel sites managed by Fleet Services and Parks and Countryside.

5.2 The contract is now due renewal as the full 4 year contract periods end on the 30th November 2019.

5.3 Approval is sought from the Director of Housing and Resources for Fleet Services to commence a procurement exercised or utilise the new YPO supply of liquefied fuel currently being tendered on behalf of Leeds City Council.

6. Recommendations

6.1 The Director of Resources and Housing is recommended to approve the request to commence a procurement exercise or utilise the new YPO contract for the supply of liquefied fuel with the option to extend a further 2 x 12 month periods from 1st December 2019 to the 30th November 2021.

7. Background documents¹

7.1 None.

¹ 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.