

**FORM 2**

**NOTICE OF DECISION OF CABINET MEMBER**

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me / by the Leader (delete as appropriate), I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
Procurement of Fuel for the Depot	That CCS include the Council's liquid fuel requirement within its competitive e-auction exercise for the CCS National Liquid Fuels Framework and to delegate authority to the Director of CWE to enter a call off agreement with CCS's chosen supplier(s) to commence on 1 <sup>st</sup> October 2015.	The existing call-off contract that is currently in place will expire on 30 <sup>th</sup> September 2015.	21 <sup>st</sup> May 2015

**I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.**

Dated: 21<sup>st</sup> May 2015  
 Signed:   
 Councillor Marcus Hart, Leader of the Council

Strong Leader Report

To: Leader of the Council

From: Director of Community Environment & Well-being

Date: 21<sup>st</sup> May 2015

**Title of Report – Procurement of Fuel for the Depot**

**1. PURPOSE**

To seek delegated authority to the Director of Community, Environment & Well-Being (CWE) to provide authority to The Crown Commercial Services organisation to operate an e-Auction on behalf of Wyre Forest DC. This e-Auction will seek to provide a call-off contract for the supply of liquid fuels to the Depot under a National Liquid Fuels Framework.

**2. RECOMMENDATION**

To decide that CCS include the Council's liquid fuel requirement within its competitive e-auction exercise for the CCS National Liquid Fuels Framework and to delegate authority to the Director of CWE to enter a call off agreement with CCS's chosen supplier(s) to commence on 1<sup>st</sup> October 2015.

**3. BACKGROUND**

The Depot's on-going fuel requirements are provided via a simple call-off arrangement that operates within an existing contract agreement. The contract agreement provides the Depot with its all its liquid fuel requirements at a pre-agreed price. Fuel requirements at the Depot are within two key areas:

- Diesel – 300,000 L-P/A
- Gas / Oil – 15,000 L-P/A

This call-off contract arrangement is procured via a National Liquid Fuels Framework that is run and operated by Crown Commercial Services.

The Crown Commercial Service (CCS) is a government agency that brings together policy, advice and direct buying; providing commercial services to the public sector and saving money for the taxpayer.

CCS is an executive agency, sponsored by the Cabinet Office and operates as a trading fund under the Governments Trading Funds Act 1973. The CCS seeks to:

- managing the procurement of common goods and services, so public sector organisations with similar needs achieve value by buying as a single customer
- giving commercial advice and support to government departments, which helps them reduce their reliance on external resources
- improving supplier and contract management across government
- increasing savings for the taxpayer by centralising buying requirements for common goods and services and bringing together smaller projects
- leading on procurement policy on behalf of the UK government

The existing call-off contract that is currently in place will expire on:

- 30<sup>th</sup> September 2015.

CCS therefore intends to run a further bulk competition on behalf of customers who wish to re-new their call off contracts under the Liquid Fuels Agreement.

CCS aim's to carry this out as an e-Auction during August 2015 so that suppliers have enough time to set up the contract before the go-live date of 1<sup>st</sup> October 2015. These call-off contracts will have a validity of two years.

Evaluation of all suppliers will be carried out 100% on price as the qualitative element. Due to volumes CCS will award on behalf of the Council and will not seek further approval before informing the supplier of the outcome.

Therefore confirmation of our desire to progress with the e-Auction provides CSS with the necessary authorities to act and award fuel provision on behalf of WFDC.

#### **4. FINANCIAL IMPLICATIONS**

The annual spend during 2014/15 is as follows:

- Diesel – £260,000
- Gas / Oil – £6,000

Current prices paid by the CCs contract are averaging around:

£0.8995 per litre of Diesel (Inc vat £1.0794)  
£0.432 per litre of Gas Oil (inc VAT = £0.5184)

These are regarded as very competitive when compared to high street prices and other commercially available contract.

## **5. LEGAL AND POLICY IMPLICATIONS**

The execution of this paper is full in line with all internal policy and procurement protocols. Upon conclusion of the e-auction and selection of a Supplier the Council will enter into a call off agreement under the framework agreement for a two year duration.

## **6. CONCLUSION**

The most efficient and effective way to procure fuel for the Depot is to continue with the provision of a call-off contract that is procured on a national basis via an e-Auction through a National Liquid Fuels Framework that is run and operated by Crown Commercial Services.

## **7. RISK MANAGEMENT**

- To delay beyond April 2015 will risk the existing supply contract
- WFDC would miss the dead line for national re-negotiation of the supply contract
- WFDC would have to enter into private and individual negotiations with suppliers
- This would rule out a number of large national suppliers and effect our bulk price negotiating position

## **8. EQUALITY IMPACT NEEDS ASSESSMENT**

Not required.

## **9. CONSULTEES**

Officers within the following sections have been consulted:

- Depot
- Legal
- Finance
- Procurement

## **10. BACKGROUND PAPERS**

The following papers provide support:

- Council Leader delegations

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- Cabinet Member delegations
- Liquid Fuels Call-Off Contract