

To: Finance, Resources and Customer Services Policy Board

On: 8 June 2023

Report by: The Director of Finance and Resources and the Director of Environment, Housing and Infrastructure

Heading: Contract Award: 2 Liquid Fuels Contracts

1. **Summary**

1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award 2 Supply Contracts for the Supply and Delivery of Liquid Fuels (reference RC-CPU-22-203) to

- 1) Certas Energy UK Limited t/a Scottish Fuels for the supply of AdBlue, Gas Oil A2 (Red Diesel) and Petrol ULSP; and
- 2) Highland Fuels Limited for the supply of Diesel.

1.2 The recommendation to award these 2 Supply Contracts follows a procurement exercise conducted as a Further Competition under the Crown Commercial Services National Fuels 2 Framework Agreement reference RM6177 by the Scottish Government, Scottish Procurement and Commercial Directorate ("Scottish Procurement"). National contracts for commercial utilities for water services, electricity, gas and fuel are tendered by Scottish Procurement for the Scottish public sector in order to achieve economies of scale for the sector.

1.3 A Contract Strategy was prepared by the Corporate Procurement Unit and approved by the Head of Operations and Infrastructure and the Strategic Commercial and Procurement Manager on 22 February 2023.

2. **Recommendations**

It is recommended that the Finance, Resources and Customer Services Policy Board:

2.1 Authorise the Head of Corporate Governance to award contracts for the Supply and Delivery of Liquid Fuels to:

(1) Certas Energy UK Limited t/a Scottish Fuels for the supply of AdBlue, Gas Oil A2 (Red Diesel) and Petrol ULSP; and

(2) Highland Fuels Ltd for the supply of Diesel.

Note these contracts (Call-Off Contracts) were created through a Scottish Procurement Further Competition made under an existing Crown Commercial Services National Fuels 2 Framework Agreement reference RM6177.

2.2 Authorise spend under both these contracts to a value of no more than £3million pounds (excluding VAT)

2.3 Note that both Contracts are anticipated to have call off Start Dates of 3rd July 2023, the exact date for each contract will be confirmed in the respective Order Form. The Contract end dates will be 31st March 2025.

2.4 Note the award of this Contract is subject to the completion of the Crown Commercial Services National Fuels 2 Framework Agreement Order Form.

3. **Background**

3.1 National contracts for commercial utilities for water services, electricity, gas and fuel are tendered by Scottish Procurement for the Scottish public sector in order to achieve economies of scale.

3.2 The Council has historically utilised the Scottish Procurement arrangements for such contracts.

3.3 Scottish Procurement identified the Crown Commercial Services Framework Agreement for National Fuels 2 reference RM6177 established on 1st February 2021 as suitable for the Scottish public sector requirement.

- 3.4 The Framework Agreement permits the use of Further Competition procedures. Scottish Procurement identified that it could demonstrate best value for money for the Scottish public sector by using a Further Competition for this commodity.
- 3.5 Scottish Procurement conducted a Further Competition (reference CCFU22A26) for Liquid Fuels on behalf of approximate 80 Public Bodies, including this Council, under the Crown Commercial Services Framework for National Fuels 2 reference RM6177. Lot 103 (Scotland Central) has nine suppliers registered on the agreement. All nine suppliers were invited to participate in the Further Competition issued on 2nd March 2023, 4 suppliers participated in this mini competition and 2 of those submitted the most economically advantageous tenderer for the Council's requirement under Lot 103 (Scotland Central).
- 3.6 The supplier's awarded the contracts for the Council under Lot 103 will provide the services noted below:
- 1) Certas Energy UK Limited t/a Scottish Fuels for the supply of AdBlue, Gas Oil A2 (Red Diesel) and Petrol ULSP. All of which will be supplied to the Council premises at Underwood Road, Paisley.
 - 2) Highland Fuels Ltd for the supply of Diesel. Which will be supplied to the Council premises at Underwood Road, Paisley.
- 3.8 Below is a summary of the National Benefits being delivered under the CCS Framework Agreement:
- All suppliers, employees are paid at least the Scottish Living Wage
 - There are no zero hours contracts
 - Certas Energy UK Limited t/a Scottish Fuels provide employee opportunities for learning and development
 - Suppliers provide financial support and engagement to community groups and charities.
 - In line with the Government's publication "Decarbonising Transport: Setting the Challenge" Both suppliers have committed to support the Council in working to achieve the Transport Decarbonisation Plan. By promoting, monitoring and measuring what changes that can be made.

- Both Suppliers demonstrated how their organisation would work with the Council to ensure that environmental impacts (in terms of clean air, reducing the risks of harm from environmental hazards, mitigating and adapting to climate change and minimising waste) are reduced and how they would monitor and measure this.

Implications of the Report

1. **Financial**

The costs under these 2 Contracts will be financed via Environment, Housing & Infrastructure's revenue budgets.

2. **HR & Organisational Development – None**

3. **Community/Council Planning –**

- **Place** – These Contract is contributing to delivering those strong universal services we all receive, and all rely on - like safe roads, clean and well-lit streets, efficient waste and recycling - making Renfrewshire a great place to live
- **Economy** - to Certas Energy UK Limited t/a Scottish Fuels and Highland Fuels Ltd both provided information within this procurement process in regard to their approach to ensuring fair working practices throughout their organisation and supply chain i.e. payment of the living wage, training and development opportunities.
- **Living our values** – This Contracts ensures Renfrewshire Council delivers Best Value for our citizens and customers, that we are a well governed, effective organisation

4. **Legal** – Scottish Procurement on behalf of the Council and other public sector bodies carried out a Further Competition under Lot 103 (Scotland Central) of Crown Commercial Services Framework Agreement for National Fuels (ref: RM6177) in compliance with the Framework requirements.

5. **Property/Assets** - No property/asset implications have arisen or are anticipated.
 6. **Information Technology** - None
 7. **Equality & Human Rights**
 - a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** – Certas Energy UK Limited t/a Scottish Fuels and Highland Fuels Ltd's health and safety standards have both been assessed and evaluated by Scottish Procurement to confirm they meet the minimum requirements regarding health and safety risk.
 9. **Procurement**

The procurement procedures outlined within this report satisfied the Council that the Further Competition conducted by Scottish Procurement was an acceptable route to obtain the services required.
 10. **Risk** – Both Certas Energy UK Limited t/a Scottish Fuels and Highland Fuels Ltd's insurances have been assessed and evaluated by Scottish Procurement to confirm they meet the minimum requirements regarding insurable risk.
 11. **Privacy Impact** - No Privacy Impact Assessment requirements were identified within this procurement.
 12. **Cosla Policy Position** - No Cosla Policy Position implications have arisen or are anticipated.
 13. **Climate Risk** –The fuel being ordered under this contract is for Ultra-Low Sulphur Diesel (ULSD) which is a cleaner-burning diesel fuel that contains 97% less sulphur than low- sulphur diesel. ULSD was developed to allow the use of improved pollution control devices that reduce diesel emissions more effectively.
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List of Background Papers

None

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