

**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, I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
Procurement of fuel for Green St Depot	That CCS include the Council's liquid fuel requirement within its competitive e-auction exercise for the CCS National Liquid Fuel 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 2017	The existing call-off contract that is currently in place will expire on 30 <sup>th</sup> September 2017	

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

Dated: 28<sup>th</sup> March 2017

Signed: 

Councillor:  Leader

**To: Leader of the Council**

**From: Director of Community Well Being and Environment**

**Date: 27 March 2017**

**Supply of Liquid Fuels to Green St Depot**

**1. PURPOSE**

To seek delegated authority to the Director of Community Well-Being and Environment (CWE) to provide authority to The Crown Commercial Services (CCS) 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 within the CCS's chosen supplier(s) to commence on 1<sup>st</sup> October 2017

**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 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 Fuel Framework that is run and operated by Crown Commercial Services.

The Crown Commercial Services (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:

- Manage the procurement of common goods and services, so public sector organisations with similar needs achieve value by buying as a single customer

- Give commercial advice and support to government departments, which helps them reduce their reliance on external resources
- Improve supplier and contract management across government
- Increase savings for the taxpayer by centralising buying requirements for common goods and services and bringing together smaller projects
- Lead 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 2017

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

CCS aim's to carry this out as an e-auction during August 2017 so that suppliers have enough time to set up the contract before the go-live date of 1<sup>st</sup> October 2017. 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 CCS with the necessary authorities to act and award fuel provision on behalf of WFDC.

#### **4. FINANCIAL IMPLICATION**

The annual spend during 2016/17 is as follows:

- Diesel - £260,000
- Gas Oil - £5,000

Current prices paid by the CCS contract are averaging around:

- £0.87 ppl Diesel
- £0.40 ppl Gas Oil

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

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

There are no significant policy or legal implications. This process is recognised as the most effective way for local authorities to procure a call off fuel contract. All procurement processes and protocols are adhered to as part of the National Liquid Fuels Framework.

**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 30<sup>th</sup> September 2017 will put the existing supply contract at risk
- WFDC would miss the dead line for national re-negotiations 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 affect 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 Leaders delegations
- Cabinet Members delegations
- Liquid Fuels Call-off Contract