

<b>Decision Maker:</b>	Cabinet Member for Infrastructure & Corporate Strategy
<b>Date:</b>	3 <sup>rd</sup> January 2025
<b>Classification:</b>	Part 1 & Part 2 Exempt as Appendix A
<b>Key Decision:</b>	No
<b>Title of Report:</b>	Fuel Card Service Contract
<b>Executive Director:</b>	Alan Richards, Executive Director for Environment and Place
<b>Report Author:</b>	Gemma Loizou, Compliance Manager

## **1. Executive Summary**

- 1.1 Southend City Council currently deploys fuel cards to enable fleet vehicles to be refuelled. The current contract expires on 31 January 2025 and there is an urgent requirement to ensure a compliant contract is in place which must be effective from 1 February 2025.
- 1.2 This report is seeking approval to award a contract via the use of the negotiated procedure; without prior publication as outlined in Part 2.
- 1.3 Due to timescales the next Cabinet cycle is scheduled for March 2025 and it would be too late to complete the award due to the commencement date of the proposed new contract being 1<sup>st</sup> February 2025. Therefore an urgent decision is required.

## **2. Recommendation.**

- 2.1 To agree to award the contract to supplier outlined in Part 2 with a contract length of 3 years with the option to extend for a further 2 years.
- 2.2 The above recommendation ensures that the Council have a contract that is compliant with the Council's Contract Procedure Rules and the Public Contract Regulations.

## **3. Background.**

- 3.1 Fuel cards have been deployed in Southend City Council since 2016.
- 3.2 A competition via the CCS (Crown Commercial Services) RM6186 Fuel Cards and Associated Services VI Framework was undertaken in 2023 which resulted in no award being made. This procurement route received one bid which did not meet Southend City Council's requirements.

- 3.3 Due to the non-award, a market engagement exercise was conducted during October and November 2023 to ensure Southend City Council requirements could be met within the current market. 75% of the responses evidenced they could meet our requirements.
- 3.4. Following the market engagement exercise, a Find a Tender Service (FTS) Open Procedure route was then utilised which also resulted in no award. Due to utilising this route we increased the contract length from 4 years which was the maximum length we were able to utilise on the compliant framework route to 3 years with an option to extend for a further 2 years. Whilst the change in contractual length does not constitute a key decision this has been included for awareness.
- 3.5 The use of the negotiated procedure in compliance with the Public Contract Regulations 2015 was then utilised because no suitable tenders have been submitted in response to an open procedure undertaken in 3.4 above.
- 3.6 The original procurement exercise undertaken in 3.2 above was on the procurement plan but due to difficulties of awarding the contract as advised above, the subsequent procurement exercises have not been published within the current procurement plan.

#### **4. Reasons for Decision**

- 4.1 There is a need to have approved arrangements in place, which is compliant with the Council's Contract Procedure Rules and the Public Contract Regulations.
- 4.2 The reason for this key decision is to enable Southend City Council to continue to refuel its fleet vehicles via a fuel card service. Fleet vehicles play an important and vital role in the delivery of key services, such as Highways, Community Safety, Parks, and Equipment Services.
- 4.3 The new contract will also provide cost avoidance and cost savings as outlined in Part 2.

#### **5. Other Options**

- 5.1 Do nothing. This option is not viable because there is an ongoing need to fuel council vehicles to meet service delivery needs and to allow existing arrangements to continue without an agreed contract established would place the Council in a non-compliant position.
- 5.2 It should also be noted that there are no options to extend the current contract as the options to extend have already been utilised and are being extended again prior to the award of this proposal.
- 5.3 No longer utilise a fuel card service and move to another process such as p-cards or reimbursement of expenses. This has been rejected as either of these

options would place additional burden on staff resources to administer and create less oversight and may increase risk to the Council

## **6. Financial Implications**

6.1 None. The revenue budget across Southend City Council covers the estimated annual costs outlined in Part 2.

## **7. Legal Implications**

7.1 Southend City Council cannot utilise its current service beyond 31 January 2025. To enable Southend City Council to continue with a fuel card service and to comply with the Public Contract Regulations, the Council must complete a compliant procurement process.

7.2 As set out in the report, in broad terms, the negotiated procedure without prior publication under regulation 32 of the Public Contract Regulations 2015 enables a contracting authority to negotiate a contract with one or more providers without any advertisement or competition. The grounds for using the procedure are, however, strictly limited to the scenarios listed in regulation 32 of the PCR 2015. The report details the reasons for using regulation 32 in this case.

## **8. Other Implications**

8.1 If approval is not given to award, Southend City Council will have to cease the utilisation of its fuel card service and implement an alternative option by 1 February 2025.

## **9. Appendices**

9.1.1 Confidential Part 2 (Appendix A)

## **10. Report Authorisation**

<b>This report has been approved for publication by:</b>			
	<b>Name:</b>	<b>Signature:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton		9 Jan 2025
Deputy Monitoring Officer	Jayne Middleton	Jayne Middleton	7 Jan 2025
Executive Director(s)	Alan Richards	Alan Richards	3 Jan 2025
Relevant Cabinet Member(s)	Cllr D Cowan	Daniel Cowan	3 Jan 2025