

**DECISION NO: PCCG-2019-036**

**OFFICE OF THE POLICE AND CRIME COMMISSIONER**

**LEAD CHIEF OFFICER:** Assistant Chief Officer, Resources

**TITLE:** Provision of Fuel Cards Contract

**DATE:** 19<sup>th</sup> June 2019

**TIMING:** Routine

**PURPOSE:** For decision

**1. RECOMMENDATION**

1.1 It is recommended the Commissioner approve the award of a call-off contract for the provision of fuel cards to Allstar Business Ltd via the Crown Commercial Services (CCS) Framework (RM6000). This will ensure the Force achieve a compliant and value for money route to market. The award is in accordance with paragraph 66c of the Force's Manual of Governance.

The call off contract will commence on 8<sup>th</sup> July 2019 and expire on 22<sup>nd</sup> March 2021 with an option to extend on an annual basis until 22<sup>nd</sup> March 2024.

**2. INTRODUCTION & BACKGROUND**

2.1 From 1<sup>st</sup> December 2014 to 30<sup>th</sup> November 2018 the Force used the previous iteration of the CCS Fuel Card Framework (RM1027) with Allstar Business Solutions being the provider. Following a mini competition co-ordinated by Sussex Police Force and completed in March 2019, Allstar Business Solutions Ltd have been awarded the contract to provide Fuel Cards for all Emergency Services. This is the first occasion all Emergency Services have procured their requirements for fuel cards in an aggregated manner.

**3. ISSUES FOR CONSIDERATION**

3.1 Allstar Business Solutions are the Force's incumbent supplier and are familiar with our systems and processes ensuring a smooth transition to the new contract agreement.

3.2 The Framework has the advantage of offering a discount of 0.4p per litre on all diesel and unleaded petrol purchased from non-discount locations. In addition the Agreement offers two options for purchasing fuel from fourteen discount locations in the Gwent area:

Option 1- Fuel can either be purchased with a 2.4 pence per litre discount off the pump price,

or

Option 2- the Mid CIF\* price plus 4.1 pence per litre on standard grade diesel only.

	<p><i>*Mid CIF is a standard market price which stands for cost, insurance and freight; it covers the main components that make up the cost of the fuel purchased by the sites.</i></p> <p>Sussex Police Force co-ordinated the mini competition and recommend option 2 offers best value for money. This recommendation was based on the analysis of national historical data.</p> <p>Allstar Business Solutions Ltd have confirmed the Force can switch to either option on an annual basis if it becomes more economical.</p> <p>The cost savings from using the discount locations compared to supermarkets would only be minimal, as supermarket pricing in the area is very competitive. During this contract, fuel will be purchased from a mix of discount and non-discount locations. No supermarkets are included in the discount locations. A list of discount locations will be made available on 'The Beat'.</p>
3.3	Monthly fuel card charges will reduce from £1.00 per card, per month to £0.90 per card per month. The Force currently has 343 cards in place, resulting in an annual saving of £411.60.
4.	<b><u>NEXT STEPS</u></b>
4.1	On approval of this report, a framework call off document will be completed by the Procurement Department and signed by the Commissioner.
4.2	Contract award notices will be published on Sell2Wales, Contracts Finder and Blue Light Procurement Database.
5.	<b><u>FINANCIAL CONSIDERATIONS</u></b>
5.1	The annual spend by Gwent Police on fuel per annum for the financial year 2018/19 was approximately £800,000 with an estimated contract value of £4 million over the five year contract period. This will vary depending on diesel and unleaded petrol pricing.
5.2	<p>The cost of diesel has continued to increase, please see below for the average supermarket pricing for May in each of the previous three years as published by the Automobile Association (AA):</p> <p>Average Pricing for May 2019 – 125.20p Per Litre</p> <p>Average Pricing for May 2018 – 121.90p Per Litre</p> <p>Average Pricing for May 2017 – 113.30p Per Litre</p> <p>If this trend continues, any minimal savings achieved from using the framework will be out-weighted by increasing fuel costs.</p>
5.3	Calculated on the current amount of Gwent Police fuel cards the decrease in the monthly fuel card rate will realise an annual saving of approximately £411.60 per annum. In addition, assuming the pump price remains static and also the current 'buying behaviour' of officers and staff is also maintained, a saving of circa £5,000 can also be made on the purchase of the fuel itself.

<b>6.</b>	<b><u>PERSONNEL CONSIDERATIONS</u></b>
6.1	There are no impacts to personnel as a result of re-awarding this contract to Allstar Business Solutions Ltd.
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
7.1	Procurement have checked that the Commissioner is named within this framework and can access the framework.
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
8.1	This proposal has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
<b>9.</b>	<b><u>RISK</u></b>
9.1	If the Force do not migrate to this framework agreement there will be no compliant fuel card provision.
9.2	If the contract is not awarded with the annual spend on fuel being in the region of £800,000 the Force will be in breach of EU Procurement regulations and internal Manual of Governance.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b>
10.1	Following approval by the Commissioner this report will be made available to the Public. Details of contract will be published on Sell2Wales, Contracts Finder and Blue Light Procurement Database (BLPD).
<b>11.</b>	<b><u>CONTACT OFFICER</u></b>
11.1	Mark Waggett, Procurement Officer.
<b>12.</b>	<b><u>ANNEXES</u></b>
12.1	None.

**For OPCC use only**

**Office of the Chief Constable**

I confirm that Call off Contract under Crown Commercial Services Framework RM600 for the Provision of Fuel Cards report has been discussed and approved at a formal Chief Officers' meeting.

It is now forwarded to the OPCC for approval purposes.

**Signature:**



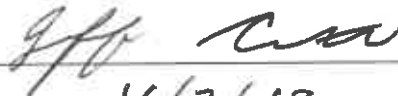
**Date:** 27<sup>th</sup> June 2019

**Police and Crime Commissioner for Gwent**

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

**Signature:**



**Date:**

16/7/19