

Report to:	Cabinet	Date of Meeting:	9 March 2023
Subject:	Provision of Liquid Fuels		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To agree the approach for the procurement of Liquid Fuels with effect from 22nd November 2023.

Recommendation(s):

- i) That Cabinet approve that Sefton Council sources supply of Liquid Fuels via the new Yorkshire Purchasing Organisation (YPO) Liquid Fuels supply framework to be established with effect from 22/11/2023, for a maximum period of 4 years to 21/11/2027. The contract will be for 2 years with options for 2 x 1-year extensions.
- ii) That Cabinet delegate authority to the Assistant Director Corporate Resources & Customer Services (Strategic Support) in consultation with the Cabinet Member Regulatory, Compliance and Corporate Services to approve and implement the resulting supply arrangements to ensure uninterrupted service.

Reasons for the Recommendation(s):

The Council must procure quantities of liquid fuels to operate its daily business. Under the Council's Contract Procedure Rules the level of expenditure involved (approximately £965,300.00 per annum) requires that Pre-Procurement Approval is sought from Cabinet.

It is considered that the Council can best be assured of value for money, in terms of price and security of supply, by continued procurement through an external framework contract that is able to offer considerably more collaborative usage volume to the market than Sefton Council alone can offer.

Alternative Options Considered and Rejected: (including any Risk Implications)

The Council could decide not to continue procuring Liquid Fuels through an external framework and instead undertake its own procurement process. This process would need to be a procurement process compliant with the Public Contract Regulations and would take approximately 6 months to complete.

The significant risk in that, and the reason this option has not been recommended, is that it is considered that the separate procurement of lower volumes of fuel (i.e. Sefton Council procuring fuel alone) is certain to result in much higher unit prices, potentially greater fluctuation in price, and potentially less reliable supply, than if the Council pools its requirement with a significantly wider user group.

What will it cost and how will it be financed?

(A) Revenue Costs

An analysis of current data suggests that the expenditure on Liquid Fuels across 2022 is approximately £965,300.00 per annum. This is funded through existing supplies and services budgets with the relevant service areas.

(B) Capital Costs

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):	
Legal Implications:	
Equality Implications: There are no equality implications.	
Climate Emergency Implications: The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The proposed procurement recognises the Council's commitment to delivering the Climate Change Action Plan.	

Contribution to the Council's Core Purpose:

Protect the most vulnerable: NA
Facilitate confident and resilient communities: NA
Commission, broker and provide core services: The proposed procurement recognises that the Council will seek to source value for money through frameworks that will provide the opportunity of greater buying power.
Place – leadership and influencer: NA
Drivers of change and reform: NA
Facilitate sustainable economic prosperity: NA
Greater income for social investment: NA
Cleaner Greener The proposed procurement recognises the Council's commitment to work with others to maintain Sefton's natural beauty and ensure that its many assets provide a contribution to Sefton's economy, people's wellbeing and the achievement of the 2030 Vision.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7095/23) and the Chief Legal and Democratic Officer (LD.5295/23) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

NA

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

Contact Officer:	Jan McMahon
Telephone Number:	Tel: 0151 934 4431
Email Address:	jan.mcmahon@sefton.gov.uk

Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1. Background

- 1.1 The Council has historically sourced its Heating and Automotive Liquid Fuel requirements via an external supply framework. The prime reason for this is that although the Council's expenditure on Liquid Fuels is not an insignificant amount of money in itself, within the Liquid Fuel market the Council's usage volumes and related expenditure represent an extremely small percentage of the market. Should the Council endeavour to procure Liquid Fuels via its own supply contract it would simply be unable to attract the competitive pricing that would be available via an external supply framework that offers a significantly larger collaborative usage volume to the marketplace than Sefton can alone. Cost efficiencies that the Council currently benefits from would be lost, should the Council not to continue to procure these products via an external framework.
- 1.2 The Council is an Associate Member of Yorkshire Purchasing Organisation (YPO). YPO supplies products and services to a wide range of customers including schools, local authorities, charities, emergency services, public sector and other businesses such as nurseries and care homes. YPO is 100% publicly owned, by 13 local authorities, which means the profits made are returned to their public-sector customers. As an associate member, the Council benefits from an annual dividend based upon the Council's degree of usage of the range of available YPO frameworks. When procurement officers last tested the marketplace, the YPO Liquid Fuels supply framework proved to be a competitive supply route when compared with other options. The Council's incumbent supply arrangements were therefore established via the current YPO Liquid Fuels supply framework.
- 1.3 In 2017 Cabinet gave approval for the supply of Liquid Fuels to be established via a YPO Liquid Fuels supply framework for the specific 2 year period 1/10/2017 to 30/9/2019. Approval was then given again in 2019 to commit to the YPO Framework for a 4 year period to 2023.
- 1.4 The existing YPO supply framework is due to expire on 21/11/2023 and over the course of this year, YPO will undertake a procurement exercise to renew their framework with effect from 22/11/2023. That will then provide a supply route for a maximum period of 4 years to 2027, with YPO re-competing the collaborative requirements amongst their framework providers after the initial 2 year period.
- 1.5 The Council needs to commit to the YPO Procurement exercise to secure Liquid Fuels supply from 22/11/2023 for a maximum period of 4 years.

The YPO Procurement exercise will follow a process compliant with the 2015 Public Contract Regulations (2022 Amendment).

The basis of evaluation will be MEAT (Most Economically Advantageous Tender) taking into consideration a percentage balance between Cost and Quality.

