



Fuel Cards

Subject: Procurement Report
Date: 4th April 2019
Reference: HWFRS/49

1. Background

Hereford and Worcester Fire & Rescue Service (HWFRS) Fleet Strategy 2016-2021 identifies a replacement programme for all Service vehicles this links to the Service's core strategy of "providing and maintaining the right fleet, tools and equipment to ensure our staff can do their jobs effectively".

See **Appendix 1** Fleet Strategy 2016-2021 for full strategy.

To be able to support the fleet strategy and replacement programme HWFRS require fuel cards to facilitate daily refuelling where bulk stock is not available for many of their road vehicles and to provide associated requirements such as oil, car wash and other sundry vehicle related items.

HWFRS current supplier for this contract is Allstar, the current National Framework Agreement (RM1027, Crown Commercial Service) expires on 13th May 2018, so a review of our current requirement/needs has been undertaken, whilst a replacement Framework Agreement is procured.

This document aims to provide a clear and transparent rationale for how the appropriate re-procuring of fuel cards and associated services across HWFRS is selected. The Service has assessed the appropriate procurement routes, the appropriate available suppliers and the relevant costs.

2. Service Review

Following the review of our current fleet provision and engagement with service delivery via the Fleet Equipment Steering Group (FESG) on their operational requirements a user specification was drafted inline with current legislation.

It was agreed that Fuel Cards shall be issued to a vehicle. The types of fuel required would be for:

- Leaded, unleaded and super unleaded petrol;
- Standard diesel;

Cards must also allow the purchase of vehicle-related items which include but are not limited to:

- ad-blu;
- air;
- car wash;
- lubricants;
- oil;
- screen wash;

Cards should not be enabled to allow the purchase of non-vehicle related goods available at forecourts, such as newspapers, refreshments etc.

HWFRS requires nationwide coverage with at least 70% of all UK sites covered. It also requires provision of Management Information about vehicle mileage, based on odometer readings recorded at the point of fuel sale, and must be able to be used by any employee, not a named person on the card.

As part of the NFCC Fire Commercial Transformation Programme (FCTP) Fuel cards were identified as a collaborative procurement project and agreement and representation from NFCC TOG was sought to represent Fire and Rescue Services in the pre-market engagement, framework procurement and subsequent further competition. An existing arrangement was in place with Police and Fire (27 FRS) utilising Allstar fuel cards through a CCS previous arrangement. This project was looking to build on that prior work by increasing the stakeholders to include all Ambulance Trusts and a tri-service 'Bluelight' collaboration.

Sussex Police are the lead for the Framework Agreement. Fire and Rescue Services were involved in the pre-market research lead by Devon and Somerset Fire Service and in the letting of the overarching Framework Agreement alongside The Crown Commercial Services CCS, to ensure Fire and Rescue Service requirements were incorporated. The (CCS is now co-ordinating and leading the 'Bluelight' fuel card further competition on behalf of UK Fire and Rescue Services, Police Authorities and Ambulance Services via their RM6000 Framework Agreement.

Crown Commercial Services (CCS), a national public sector procurement, offers a wide range of options and suppliers with heavily discounted public sector specific products. This framework also significantly reduces the costs and capacity otherwise required to undertake a full procurement (tender) process. This framework complies with all appropriate and relevant legal requirements.

The replacement Framework Agreement (RM6000) is to be available for use by May 2018.

Following the replacement framework a collaborative mini competition will be run with all three emergency services, led by crown commercial services. This opportunity will be for a single supplier, available across all three Emergency Services to drive economies of scale and to reduce contract management / administration, burden.

As part HWFRS review and finalising the process the following document was agreed.

Finalising of Documents

1. **Appendix 2-** Specification

The specification was agreed by the fleet manager and service delivery representatives and included the following headings:-

- Fraud Prevention
- Security
- Customer Service and Account Management
- Transition and Implementation
- Continuous Improvement; Delivering Efficiencies and Increasing Performance
- Invoicing and Payment
- Online Management Tool
- Contracting Authority Management Information
- Reporting to the Authority
- Specific Services
- Additional Requirements

The Authority requires a 2 year contract for the supply of all fuel types, based on our 2017/18 estimated usage:

Annual Volume; 193,883

Number of Transactions; 4,531

Net Value; £198,005.97

Gross Value; £237,607.13

Payment Terms; 30 days

Invoice Type; Monthly

Total Number of Cards; 181

*Number of Bearer Cards; 1

* means Fuel Cards that have no employee name or vehicle registration ascribed to them.

Hereford & Worcester requirements were feed into National competition Procurement and Contracts Manager **Appendix 1**- Specification.

The collective annual value of the contract is estimated at £112,700,000 and a total of 75,000 cards anticipated to be issued.

Emergency Services	Number of Fuel Cards	Annual Spend
Police	55,872	£70 million
Fire and Rescue	5,649	£4.7 million
Ambulance	13,574	£38 million

3. Procurement

The Invitation to Tender for the Fuel Cards was advertised on 3rd September 2018, with a closing date for applications on 17th September 2018.

This was undertaken as a mini competition through Lot 1 of RM6000 Fuel Cards and Associated Products; run by Crown Commercial services.

Lot 1 – Fuel Cards & Associated Service

- Allstar Business Solutions Ltd
- Barclays Bank PLC T/A Barclaycard
- BP Oil UK Ltd
- Certas Energy UK Ltd
- FuelGenie (Worldwide IT Services UK Ltd)
- Feulmate Ltd (Rix Petroleum (Hull Ltd))
- Maxol Oil Ltd
- Shell UK Oil Products Ltd
- UK Fuels Ltd

All nine suppliers will be invited to bid, however, pre-market engagement against the framework indicates that only two complaint bids maybe submitted due to the national coverage requirements of the Bluelight Emergency Services (Allstar Business Solutions and Barclays Bank PLC).

A single contract will be awarded to the winning supplier and will be between the Contractor and Surrey and Sussex Police. FRSs are not required to put their own Call-Off Contracts in place and instead can simply opt to use the Surrey and Sussex Police Call-Off Contract.

The contract will operate 15st October 2018 to 22nd March 2021.

With regards to extension options, framework RM6000 may be extended until 22nd March 2023 by CCS. Should this option be invoked, the Authority may at its discretion extend the contract by two 12 monthly intervals to 22nd March 2024 (+ 1 + 1).

4. Evaluation Stage

Police, Fire and Rescue and Ambulance are represented on the evaluation panel. The Fire representatives are:

- Ron Wright, Transport and Technical Manager (Northumberland)
- Sarah Wood, Strategic Head of Transport for Fire & Police (Staffordshire)
- Pete Aighton, Procurement Officer (Devon and Somerset)

Evaluation questions were based on the following overarching criteria and weighted scores:

Award Criteria	Weightings
Price	30%
Quality	70%
Total	100%

5. Recommended Decision

Allstar Business Solutions are appointed for the Fuel Cards Contract.

Contract Value would be £215,000 (estimate) the contract commenced on the 1st April 2019 to 22nd March 2021, with the option to extend should CCS exercise the framework extensions.

6. Savings Achieved

This is the first occasion whereby all Emergency Services are procuring their needs in an aggregated manner.

Advantages of the new deal include:


- Discount of 0.4 pence per litre on all non-discount diesel transactions.
- Discount diesel supplied with a pump minus discount of 2.4 pence per litre or a mid cif + discount of 4.1 pence per litre, on standard grade diesel purchase. Based upon historical data the mid cif + discount offers the best value for money.
- Monthly card charge reduced to £0.90 per month per card. There will be a rationalisation of user cards to remove those cards that have not been used, which will remove the unused card fees.
- Transaction fees removed.
- Up to 10% of an Emergency Service Organisation's cards can be designated "Contingency Cards," and will only incur the £0.90 per month card charge during months when the cards are actually used to purchase fuels.
- Service is future proofed for the increasing Electric Vehicle infrastructure.
- Alternative Fuels such as hydrogen available.
- Should demand for unleaded increase to the point where Allstar buy their own reserves, the savings will be passed back to the Emergency Services.
- Allstar have offered to present the contract benefits to Emergency Service Organisations Account Managers to promote the benefits of the new contract. This is offered to encourage changes to user behaviours to take advantage increased savings.

The Authority also made non cashable savings due to using the National Framework and not having to run a full tender process.

(Approx cost; own procurement cost process estimated at 10 days worth of effort at £150 per day. Use of framework resulted in 4 days at £150 per day therefore a 'non cashable' savings of £900 can be demonstrated (saved 6 days at £150 per day= £900)

7. Full Audit trail (including Specification/Scoring matrix)

<http://sharepoint1/sites/Procurement/Contracts/Fleet/HWFERS49%20Fuel%20Cards/Forms/AllItems.aspx?RootFolder=%2Fsites%2FProcurement%2FContracts%2FFleet%2FHWFERS49%20Fuel%20Cards%2FAllstar%20Business%20Solutions&FolderCTID=0x0120000A776F0CF527C34090C1149D982871FD&View={C2337C52-1389-4794-A775-50BFF74897DC}&InitialTabId=Ribbon%2ELibrary&VisibilityContext=WSSTabPersistence>

Appendix 1- Fleet Strategy	 Fleet Strategy 2016 final.docx
Appendix 2- Specification	 Organisational Specification Fuel Car