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## Procurement for the Supply of Fuel Cards for the use of Fire Appliances at Public Forecourts

Report to:	Date:
Investment & Finance Board (via email)	
Commissioner's Board .....	17 April 2024
Deputy Mayor's Fire and Resilience Board...	30 April 2024
London Fire Commissioner .....	

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Report by:  
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Report classification:  
For decision

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For publication

# PART ONE

## Non-confidential facts and advice to the decision-maker

### Executive Summary

This report refers to the business-as-usual requirement for the London Fire Brigade (LFB) to have a contract for the provision of fuel cards to enable any fuel purchased at petrol station forecourts in London to be purchased at a discount. This contract enables potential cost savings against the forecourt price per litre (ppl), helping the brigade to deliver its service to the public as efficiently as it can.

This requirement will be tendered off the Crown Commercial Services (CCS) framework RM 6186, which is a national framework. A further competition will be carried out by CCS on behalf of the LFB.

This report seeks authority to commit expenditure to allow an award of the contract to the winning bidder following the Further Competition.

### For the London Fire Commissioner

The London Fire Commissioner agrees that funds be allocated from the existing Fire Station Fuel Budget for the purpose of fuel card provision for the new contract term of 2 years.

The value for this contract is in part 2.

## 1 Introduction and background

- 1.1 The LFB has the requirement to refuel its fire appliances on a day-to-day basis to ensure that they are ready for service.
- 1.2 The operational staff aim to have the fire appliances' fuel tanks at a minimum of 70 percent. To enable this operational staff will refuel their appliances after they have completed a run.
- 1.3 The provision of fuel cards enables the operational staff easy access to payment services for the purchase of fuel for any type of vehicles at petrol stations open to the public. It ensures operational staff have easy and convenient access to fuel without using the strategic reserve tanks which are required in the event of fuel not being easily accessible.
- 1.4 The price per litre (ppl) paid is the discounted forecourt price. This price fluctuates as it is based on the wholesale market price. As the ppl varies, as does the amount of usage of each vehicle, then the expected value is an estimation based on historical spend values.
- 1.5 The previous procurement was undertaken utilising the CCS Framework following a national aggregation of Public Sector requirements and a Further Competition between framework suppliers.
- 1.6 Given the current context around worldwide increases in fuel and the uncertainty this creates, the estimated value is provided in Part 2 of the report and it reflects potential increases in fuel prices to mitigate the impact of price volatility over the term of the contract.
- 1.7 The LFB is investigating different routes to support the Mayor's Carbon Net Zero target, this contract is to ensure that the Brigade has a simple effective means to pay for fuel whilst the Brigade transitions to new fleet.
- 1.8 Further information is set out in Part Two of the report.

## 2 Objectives and expected outcomes

- 2.1 This contract will support the delivery of frontline services of LFB. The fuel cards provision is required to ensure fire Appliances are fully fuelled using a payment method which offers the best market rates with an ease of use.
- 2.2 Resilience is maximised as this contract allows for the purchase of fuel from a wide variety of forecourt operators.
- 2.3 The route to market used is the CCS compliant framework which is accessible to the LFB and a Further Competition will be completed to ensure the contract is tendered in accordance with the Public Contract Regulations 2015. This framework was identified as the preferred option as it is used by numerous public bodies and the suppliers within the Framework are recognised providers in the market. There is an expectation that LFB will secure good rates due to economies of scale given the size of client's pool and the total volume of fuel involved.
- 2.4 The procurement for the supply of fuels is managed by CCS full information on the Framework can be found at <https://www.crowncommercial.gov.uk/agreements/RM6177>.

- 2.5 The CCS Framework allows for a procedure called a further competition to identify the preferred bidder. A further competition will be carried out by LFB using this CCS framework and templates. The successful bidder will be notified to LFB following this competition as achieving the best overall value for money.
- 2.6 This report seeks to request authority to commit expenditure to award the call off contract to the preferred bidder.
- 2.7 The approach to the procurement is compliant with LFB's Standing Orders for Contracts and Tenders (Part 3).

### **3 Equality comments**

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct.
  - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
  - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
  - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
  - promote understanding.
- 3.8 An Equality Impact Assessment has not been undertaken for this requirement as the procurement of fuel cards does not impact on the protected characteristics as described under the Public Sector Equality Duty (section 149 of the Equality Act 2010).

## 4 Other considerations

### Workforce comments

- 4.1 No workforce implications or any for consultation with representative bodies other than for information purposes.

### Sustainability comments

- 4.2 This report discusses the business-as-usual requirement for LFB to have a contract for the provision of Fuel Cards to enable any fuel purchased at petrol station forecourts in London to be purchased at a discount. This supports the ongoing required carbon reporting data received through the fuel card contract.
- 4.3 This report takes into account risks associated with possible reduced fuel supplies and outlines they are mitigated as far as is reasonably possible by maximising the quantity of fuel held by the bulk fuel storage arrangements.
- 4.4 This report does not introduce any significant sustainability impacts. Where new policies and/or corporate projects arise, they are subject to the Brigade's sustainable development impact assessment process.

### Procurement comments

- 4.5 The procurement comments are contained in the body of this report. Appendix 1 summarises the current usage and market information available and the estimated future expenditure.

### Communications comments

- 4.6 The new contract will require a communications strategy to be developed and implemented. The purpose is to ensure that the end users are aware of all changes that the outcome of the tender will entail. The audience will be those station staff who currently utilise fuel cards. This will enable the old Fuel cards to be collected and the issuing of the new cards to the end users happens as smoothly as possible. This is to ensure a smooth transfer of cards which ensures that there is no impact in the smooth running of the front-line operations.
- 4.7 As this an ongoing BAU requirement the communications strategy will be based on the one that was successfully rolled out for the 2022 roll out of new fuel cards.
- 4.8 This will be developed closer to the contract start date, once the supplier is known.

- 4.9 The LFB Press office have been notified of this requirement and procurement process, so are in a position to work with Procurement and Commercial when the procurement process is live, in case of questions.

## 5. Financial comments

- 5.1 Fuel cards are used to purchase the fuel required for fire appliances that is ultimately charged to budgets held by individual fire stations. This report sets out the contractual arrangements that seek to ensure value for money in fuel purchases when compared to buying on the open market in public forecourts.
- 5.2 The estimated contract value is based on recent purchasing history and represents a continuation of current activity levels. Further financial information is provided in part two of the report.

## 6. Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "LFC") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2 By direction dated 1 April 2018, the Mayor set out those matters, for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
- 6.3 Paragraph (b) of Part 2 of the said direction requires the LFC to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
- 6.4 The Deputy Mayor's approval is accordingly required for the LFC to purchase Fuel Cards which has an estimated cost exceeding £150,000 and is set out in full in Part 2 of the report.
- 6.5 The arrangements proposed is consistent with the LFC's power under section 7 (2)(a) Fire and Rescue Services Act 2004 (FRSA 2004) under which the LFC has the power to secure the provision of personnel, services, and equipment necessary to efficiently meet all normal requirements for firefighting. Furthermore, section 5A FRSA (FRSA 2004) to do anything it considers appropriate for the purposes of the carrying out of any of its functions.
- 6.6 The report sets out details for the proposed procurement, and procurement via the CCS framework is compliant with the Public Contracts Regulations 2015. The Crown Commercial Service have conducted a compliant OJEU procurement in accordance with regulation 33 of the Public Contracts Regulations 2015 to set up the Crown Commercial Services (CCS) framework RM 6186. In addition, CCS have aggregated public sector requirements and undertaken a further competition, from which the Commissioner is able to make a compliant call off award of contract.

## List of appendices

Appendix	Title	Open or confidential*
1	Market Analysis of historical fuel card use	Open

### Part two confidentiality

Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part Two form, together with the legal rationale for non-publication.

Is there a Part Two form:       YES

## **Appendix 1**

### **Market Analysis**

We are currently unable to provide an accurate estimate of future price per litre as the market is too volatile and therefore none of our suppliers can provide an accurate estimate.

The following analysis of the market has been undertaken in March 2024:

Number of fuel cards in use 481.

Table in part 2.