



LONDON FIRE BRIGADE

Report title

Award Report - Fuel Cards and Associated Services

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Fire and Resilience Board	14 May 2019
Report by	Report number
Assistant Director Technical and Commercial	LFC-0167
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Summary

This report seeks approval to award the contract for the fuel cards and associated services to the Supplier named in Appendix 1 – CCS Award Recommendation Report. A joint mini competition was undertaken calling off from the Crown Commercial Services (CCS) framework RM6000 Provision of Fuel cards and Associated Services. LFC will be completing a Call Off Order Form in accordance with the provisions of the Framework Agreement for the provision of Emergency Services Fuel Cards.

Crown Commercial Services (CCS) Award Recommendation Report (attached in Appendix 1) provides details of the procurement and evaluation process conducted by CCS on behalf of Surrey and Sussex Police Constabularies who represents UK Police Authorities, Fire and Rescue services and UK Ambulance services. This is the first occasion whereby all Emergency Services are procuring their needs in an aggregated manner.

Recommendation

The London Fire Commissioner award a demand led 5 year contract, for the provision of Fuel cards and Associated Services to the supplier in Appendix 1 – CCS Award Recommendation Report.

Background

1. Provision of fuel cards allows 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 37 strategic reserve tanks at fire stations, which are required in the event of fuel not being easily accessible.
2. For comparison purposes the spend on the contract over the last five years was £5.3m, however the last 12 month spend was £1.3m so the future five year cost could be £6.5m . The

actual spend under the contract each year will be variable as it will depend on vehicle use and inflation. Primarily, this cost is made up of the actual fuel cost and in past contracts a small proportion of the cost is the fee to use the service.

3. The fuel card service includes a service wrap to provide a complete back-up service including security monitoring, card replacement and the provision of online management information.

Procurement Process

4. Surrey and Sussex Police Constabularies acted as the Lead Customer and Crown Commercial Services conducted the procurement event on behalf of those who had provided their specification.
5. Crown Commercial Services Award report is contained in Appendix 1 – CCS Award Recommendation Report and details the procurement process.

Savings

6. Using historic data and applying the new contract pricing structure it is estimated that an annual saving of £2437 on diesel fuel could be achieved based on current use. The reduction in card fees would also deliver an estimated £600 per year saving. However it should be noted that the cost of fuel exceeded the budget by £0.1m in 2018/19 and as a result additional funding will be requested as part of the budget process for 2020/21.

Conclusion

7. The recommendations provided in the Appendix 1 – CCS Award Recommendation Report fully meet the requirements of London Fire Commissioner and therefore should be accepted as providing the best value option for the provision of fuel cards and associated Services.

Finance comments

This report recommends the award of a 5 year contract, for the provision of Fuel cards and Associated Services. The report notes that spend on this service over the last five years was £5.3m and that the annual contract spend going forwards will depend on vehicle use and inflation. For 2018/19 the annual budget for this was £1.2m with an outturn spend of £1.3m. The budget provision for this will be considered as part of the budget process for 2020/21 to assess any inflationary requirements.

Workforce comments

The recommendations in this report are not subject to Trade Union negotiation nor is there any foreseen impact on staff. The appropriate use of fuel cards is contained in hotwire and it is recommended that staff are reminded of their responsibilities in this regard as part of the new arrangements.

Legal comments

Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") 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 Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").

Paragraph (b) of Part 2 of the said direction requires the Commissioner 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...".

The Deputy Mayor's approval is accordingly required for the London Fire Commissioner to purchase Fuel cards and Associated Services for the value of £6.5million.

The General Counsel has reviewed this report and notes that the arrangement proposed is consistent with the Commissioner's power under section 5A of the Fire and Rescue Services Act 2004 to do anything it considers appropriate for the purposes of the carrying-out of any of its functions. Furthermore, under section 7 (2)(a) of the aforementioned legislation, the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting.

The General Counsel also notes that the proposed service has been procured in compliance with the Public Contracts Regulations 2015. The Crown Commercial Service have conducted a compliant OJEU procurement in accordance with section 33 of the Public Contracts Regulations 2015 to set up CCS framework RM6000 for the provision of Fuel cards and Associated Services, from which the Commissioner is able to make a compliant call off.

Sustainability comments

The proposed contract for Fuel Card Services provides access to Hydrogen refuelling stations and electric vehicle charging points at service stations, which will support the use of low emission vehicles in the fleet.

Equalities comments

The Public Sector Equality Duty applies to the London Fire Brigade when it makes decisions.

The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse effect on any persons with a particular characteristic.

The framework RM6000 Provision of Fuel cards and Associated Services includes clauses which deal specifically with Equality and Diversity and will form part of the contract with the supplier. These are:

The Supplier shall:

- (a) perform its obligations under this Framework Agreement (including those in relation to the provision of the Services) in accordance with:
 - (i) all applicable equality Law (whether in relation to race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise); and
 - (ii) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law;
- (b) take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

List of Appendices to this report:

Appendix 1 - CCS Award Recommendation Report



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Appendix 1 - CCS Award Recommendation Report

Attached as an external document