

**POLICE AND CRIME
COMMISSIONER FOR
THE WEST MIDLANDS**

CONFIDENTIAL

NOTICE OF DECISION

[018/2024]

Contact Officer: Pete Gillett
WMP Director of Commercial Services

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Title: Provision of Diesel Liquid Fuel and Unleaded Liquid Fuel Contract Award

EXECUTIVE SUMMARY

The Contracts are required in order to continue to provide contingency bunkered fuel across the Force for any major events/incidents/fuel strikes that occur. The force currently have two diesel bunkers and one petrol bunker for the region.

In November 2023, the Contracts Review and Approval Board (CRAB) approved the route to market for Crown Commercial Services (CCS) to conduct a further competition, under the National Fuels 2 Framework, reference number RM6177, lot 1 – Liquid Fuel (Regional Lot 107), on behalf of the various public sector organisations, including other organisations within the West Midlands area. This competition took place in December 2023 and received a total of six bids for diesel and only one sealed bid for petrol.

DECISION

The decision is to award the following contracts:

- Contract for the Provision of Diesel Liquid Fuel to New Era Fuels Limited, Lynton House, 7-12 Tavistock Square, London, WC1H 9BQ.
- Contract for the Provision of Unleaded Liquid Fuel to Standard Fuel Oils, Carlton House, Gores Road, Knowsley Industrial Park, Liverpool, L33 7XS.

For the period 1st April 2024 to 31st March 2026, with the option to extend for a further two periods of 12 months each. If all contract extensions were taken this would be at an estimated cost of £1,054,751 (including value added tax).

Police and Crime Commissioner for the West Midlands

I confirm that I do not have any disclosable pecuniary interests in this decision and take the decision in compliance with the Code of Conduct for the Police and Crime Commissioner of the West Midlands. Any interests are indicated below.

Signature 

Date: 27.03.2024

CONFIDENTIAL FACTS AND ADVICE TO THE POLICE AND CRIME COMMISSIONER

INTRODUCTION AND BACKGROUND

The Authority currently has contracts in place for the Provision of Liquid Fuel which are due to expire on 31st March 2024, with no further options to extend.

These contracts are required in order to continue to provide bunkered fuel across the force area for any major events/incidents/fuel strikes that may occur and enable a contingency supply of fuel to be immediately available for the sole use of the Authority.

The majority of the Authority's fuel is purchased via a separate fuel card contract, which enables a more visible policing presence around fuel stations, to try and prevent fuel thefts in the region.

As the Authority's fleet moves towards cleaner fuels (Hybrid/EV), we would expect to see a reduction in our carbon footprint and fuel costs. However, at this time we are unable to predict what our carbon footprint will be over the life of the new fuel contract, as this will depend on mileage covered and fuel used in any one year.

Fleet will look to increase our EV's to 25% over the length of the new fuel contract.

The decision to award these contracts follows a bulk further competition, under the National Fuels 2 Framework. Reference Number RM6177. Lot 1 – Liquid Fuel (Regional Lot 107).

FINANCIAL IMPLICATIONS

The estimated contract value over the initial contract period (twenty-four months) is £501,665 (including VAT), based on our estimated usage figures. However, it should be noted that expenditure on this service is variable and the Platts Plus pricing mechanism is used to calculate fuel prices, which fluctuate depending on global market conditions. In addition, Years 2,3 & 4 estimated spend includes a 5% inflationary increase, which has been calculated year on year.

If the Force decides to extend the contract for the maximum extension permitted, a further 24 months, the estimated value of the contract would be approximately **£1,054,751** (including VAT).

At the moment, it is too early to estimate if bunkered fuel will reduce as we are still retaining an emergency bunkered fuel position.

LEGAL IMPLICATIONS

In accordance with Financial Regulations, the award of Contracts with a value in excess of £1 million requires the approval of the PCCWM.

We have received confirmation from Legal Services that we are able to legitimately award this contract under the Public Contract Regulations (2015).

EQUALITY IMPLICATIONS

N/A

SCHEDULE OF BACKGROUND PAPERS

Contracts Review and Approval Board Paper



3.a - Liquid Fuel -
Award UPDATED v2_