

ABERDEEN CITY COUNCIL

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| COMMITTEE | Finance, Policy and Resources |
| DATE | 26 th Sept 2013 |
| DIRECTOR | Paul Fleming |
| TITLE OF REPORT | Procurement of Fuel Oil (Kerosene) |
| REPORT NUMBER: | CG/13/104 |

1. PURPOSE OF REPORT

The report advises the Committee of the intention to use a national mini-competition procedure to call-off from a pre-tendered UK Government Procurement Service Framework Agreement (RM1013 Liquid Fuels) for the purchase of fuel oil. The report further seeks approval of the estimated expenditure as detailed in this report.

2. RECOMMENDATION(S)

The Committee is recommended to approve the use of the Government Procurement Service Framework Agreement in order to purchase fuel oil as required.

3. FINANCIAL IMPLICATIONS

This mini-competition shall take advantage of the combined buying leverage of public sector bodies across Scotland to purchase fuel oil. Accordingly, market sounding, has shown that the overall costs will be more competitive than what individual public sector bodies can achieve through purchasing on their own.

The annual spend on fuel oil for the Council is approximately £515K per annum. The figure is continuing to decrease as Council sites move to more economical alternatives. The aforementioned figure is estimated to decrease by around £85K for financial year 2014/2015.

4. OTHER IMPLICATIONS

An equality impact assessment is not required because the recommended actions do not have a differential impact on the users of the resulting contract service provisions.

There are no direct staffing implications arising from the use of this framework.

5. BACKGROUND/MAIN ISSUES

The Council is bound under the Public Contracts (Scotland) Regulations 2012 to be party to a tendering process in accordance with these Regulations. This has been undertaken through the UK Government Procurement Service.

The Scottish Government Procurement Service intends running a further competition under the UK Framework to further maximise the outcome by using an e-auction on the basis of lowest margin. The contract term is anticipated to be 24 months.

The Council previously utilised a similar mini-competition for the provision of fuel oils under a now expired Government Procurement Service framework.

6. IMPACT

The implementation of these frameworks will make sure that we have compliant contracts in meeting the needs of the service while achieving the most economically advantageous terms for the Council.

7. BACKGROUND PAPERS

Not applicable.

9. REPORT AUTHOR DETAILS

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