

AGENDA ITEM NO 12

REPORT NO 122/23

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 2 MAY 2023

SUPPLY OF LIQUID FUELS FOR HEATING PURPOSES FROM APRIL 2023 TO MARCH 2027 (UP TO 2 YEARS EXTENSION) – PROCUREMENT AUTHORITY APPROVAL REPORT

REPORT BY GRAEME DAILLY, DIRECTOR OF INFRASTRUCTURE AND ENVIRONMENT

ABSTRACT

This report asks Committee to ratify the decision to enter into a call-off contract for the supply of liquid fuels for heating purposes procured by Scottish Procurement on behalf of various public bodies. Committee is required to ratify this decision given that the value of the call-off contract is above the Chief Officer's delegated authority limit.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:

- (i) notes the expiry of the call-off contract for the supply of liquid fuels for heating purposes on 31 March 2023 and the requirement to continue to purchase from incumbent supplier(s) for a period of one month until 30 April 2023;
- (ii) ratifies the decision of the Director of Infrastructure and Environment, following consultation with the Director of Legal & Democratic Services and the Convener of the Policy and Resources Committee to enter into a call-off contract from 1 May 2023 for the supply of liquid fuels for heating purposes procured by Scottish Procurement on behalf of various public bodies;
- (iii) notes that the Director of Infrastructure and Environment has signed off the call off contract order form in accordance with the Framework guidance; and
- (iv) notes the procurement authority as contained in this report, including participation by the Council in the Scottish Procurement mini-competition run on behalf of Scottish public bodies through the Crown Commercial Services National Fuels Framework Agreement RM6177 in accordance with the process stated in Sections 16.6 and 16.8 of the Financial Regulations.

2. ALIGNMENT TO THE ANGUSPLAN/COMMUNITY PLAN

2.1 **Caring for the Economy:**

- We will continue to support and deliver elements of the Tay Cities Deal
- We will support and deliver programmes that help people into work
- We will support businesses to grow and invest in Angus through our employment land and commercial property
- We will be more commercial in our approach to contracts and support growth of business locally whenever possible through a community wealth building approach

2.2 Caring for our Place:

- We will take action to mitigate against climate change by delivering our Transition to Net Zero Action Plan: 2022 to 2030 and leading on the delivery of a Sustainable Energy Climate Action Plan (SECAP) for Angus to reduce area wide emissions

3. BACKGROUND

- 3.1 Liquid Fuel was previously supplied to various properties in Angus through a call-off contract arrangement set up by Scottish Procurement, via a Crown Commercial Services framework, on behalf of Scottish Local Authorities. This arrangement was previously approved by the Tayside Procurement Consortium steering group in December 2019. This call-off arrangement expired on the 31 March 2023 following an extension of one year. To meet ongoing requirements, a new call-off contract has been arranged by Scottish Procurement which was originally to commence on 1 April 2023 but was subject to a delay. This meant commencement of the new call off contract was not available to dovetail with the expiry of the previous one and for the period of a month Angus Council, as were all other authorities, had to secure supplies via their incumbent on a 'as continuing' basis, whilst Scottish Procurement finalised the new call off arrangement.
- 3.2 Approval of this procurement process was previously undertaken by Tayside Procurement Consortium but now requires approval by the appropriate Angus Council Committee hence the retrospective nature of this report.

4. SCOPE OF CONTRACT

- 4.1 The arrangement comprises the supply and delivery of liquid fuel for heating to various Angus Council properties. This will be undertaken through a call-off contract following a procurement exercise undertaken by Scottish Procurement using the Crown Commercial Services National Fuels Framework Agreement RM1677. The arrangement is to be in place from the 1 May 2023 until 31 March 2025 with an option to extend for up to 2 years until 31 March 2027 if required.

5. PROCUREMENT AUTHORITY

Objectives

- 5.1 The main objective of this procurement is to ensure the Council can continue to be supplied with liquid fuel to provide heating until such time as alternative heating systems are installed to meet its sustainability obligations. This covers all buildings owned and/or operated by Angus Council where liquid fuels for heating are required, which currently sits at 15 properties.
- 5.2 The use of this procurement route is intended to speed up the procurement process by omitting the requirement to carry out a supplier selection process where the value of the contract is out with the Chief Officers delegated authority limit. In setting up the Framework, Crown Commercial Services have carried out the necessary selection process and Scottish Procurement by setting up the call-off arrangement have ensured that the procurement process is a compliant route to market in line with current procurement legislation.
- 5.3 The use of this procurement arrangement will result in a number of benefits including:
- continue cost benefits against the current market costs associated with suppliers' margin to the Scottish public sector through volume leverage and on-going demand;

- fixed supplier margin over the term of the new call-off contracts;
- continue to bring together public organisations and their requirements to generate collaboration and cost avoidance;
- continue to build accurate data for future procurement exercises through management information;
- clear and transparent pricing – to drive customer behaviours;
- continue to ensure service levels and customer feedback is recorded and actioned, to improve service levels.
- KPI's in place regarding supplier performance

5.4 There are also a number of sustainability benefits available, these include:

- adhering to fair work practices and providing details as part of the procurement exercise including: employees are paid at least the living wage, all suppliers provide flexible working, there are no zero-hour contracts
- school and community group engagement activities
- financial or specialist support for community groups and charities
- apprenticeships and recruitment from the local community
- suppliers demonstrate to reduce environmental impacts including: clean air, environmental hazards, mitigating climate change, minimising waste

5.5 The procurement arrangement allows for the performance of all of the contractors to be monitored through a set of key performance indicators and action taken against contractors who do not meet the targets. This will provide an effective service delivery and contract management process.

Sourcing Route/Collaborative Opportunities

5.6 As the proposal is to use an approved sourcing routes through a Central Purchasing Body - Crown Commercial Services with Scottish Procurement arranging a call-off contract, this meets the requirements for identifying collaborative procurement opportunities. The use of this procurement route also meets the Council's obligations to ensure a compliant sourcing route is used for procurement.

5.7 The call-off contract was carried out in accordance with the Framework guidance, a quality assessment has already been carried out on the suppliers that have been appointed to the CCS Framework. The call-off contract will be placed in accordance with the prices submitted by the suppliers on the Framework.

5.8 A quality assessment has been carried out by Scottish Procurement as part of the Framework procurement process. They will issue a Supply of Liquid Fuels Call off contract buyers guide in due course.

5.9 This report details the funding arrangements and procurement options that fall within the procurement authority requirements contained in Financial Regulations (FR) 16.8. This procurement is not considered to be a "major procurement" in terms of Financial Regulation 16.8.4.

6. ALLOWANCE IN ESTIMATES AND FINANCIAL IMPLICATIONS

6.1 The estimated total cost for the provision of fuel oil is anticipated to be in the region of £120,000 for 2023/24 but this will be dependent on the costs and charges contained in the call-off contract placed by Scottish Procurement. Including the option to extend the contract for 1 year it is anticipated the overall costs to be in the region of £480,000 over the four years subject to fluctuations in costs.

- 6.2 The costs will be funded from allowances contained in the Council's Revenue energy budgets for each Directorate. Provision will be required within future years' Budgets to accommodate the annual expenditure on fuel oil.

7. RISK

- 7.1 The main risk identified with the supply relates to ensuring the employment of a competent high quality supplier who will ensure that the supply and handling of fuel is carried out in accordance with current legislation. This risk has been reduced by Scottish Procurement procuring this supply arrangement service contract through the approved Crown Commercial Services framework agreement following a comprehensive selection process including assessing their competency and quality in accordance with current procurement regulations.
- 7.2 The Property Asset team has extensive experience of delivering this type of service contract in an appropriate manner and every measure will be taken to ensure that through effective contract management the service to be provided under this arrangement will be delivered on time and on budget.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 A full Equality Impact Assessment is not required as it is technical and does not impact directly on people.

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report

REPORT AUTHOR: GAVIN BALFOUR - SERVICE LEADER ASSETS
EMAIL DETAILS: Communities@angus.gov.uk



Equality Impact/Fairer Scotland Duty Assessment Form

Step 1

Name of Proposal:

Procurement authority report on the participation by the Council in the Scottish Procurement mini-competition run on behalf of various Scottish public bodies through the Crown Commercial Services National Fuels Framework Agreement RM6177 in accordance with the process stated in Sections 16.6 and 16.8 of the Financial Regulations.

Step 2

Is this only a **screening** Equality Impact Assessment Yes

(A) If Yes, please choose from the following options **all** reasons why a full EIA/FSD is not required:

- | | |
|--|-----|
| (i) It does not impact on people | Yes |
| (ii) It is a percentage increase in fees which has no differential impact on protected characteristics | No |
| (iii) It is for information only | No |
| (iv) It is reflective e.g. of budget spend over a financial year | No |
| (v) It is technical | Yes |

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

(B) If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment	No
Is this a Fairer Scotland Duty Assessment	No

If you have answered Yes to either or both of the above, continue with Step 3.

If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.

Step 3

(i)Lead Directorate/Service:

(ii)Are there any **relevant** statutory requirements affecting this proposal? If so, please describe.

(iii)What is the aim of the proposal? Please give full details.

(iv)Is it a new proposal? Yes/No Please indicate OR

Is it a review of e.g. an existing budget saving, report, strategy, policy, service review, procedure or function? Yes/No Please indicate

Step 4: Which people does your proposal involve or have consequences for?

Please indicate all which apply:

Employees Yes/No

Job Applicants Yes/No

Service users Yes/No

Members of the public Yes/No

Step 5: List the evidence/data/research that has been used in this assessment (links to data sources, information etc which you may find useful are in the Guidance). This could include:

Internal data (e.g. customer satisfaction surveys; equality monitoring data; customer complaints).

Internal consultation (e.g. with staff, trade unions and any other services affected).

External data (e.g. Census, equality reports, equality evidence finder, performance reports, research, available statistics)

External consultation (e.g. partner organisations, national organisations, community groups, other councils.

Other (general information as appropriate).

Step 6: Evidence Gaps.

Are there any gaps in the equality information you currently hold? Yes/No

If yes, please state what they are, and what measures you will take to obtain the evidence you need.

Step 7: Are there potential differential impacts on protected characteristic groups? Please complete for each group, including details of the potential impact on those affected. Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each group. Please state the reason(s) why.

Age

Impact

Disability

Impact

Gender reassignment

Impact

Marriage and Civil Partnership

Impact

Pregnancy/Maternity

Impact

Race - (includes Gypsy Travellers)

Impact

Religion or Belief

Impact

Sex

Impact

Sexual orientation

Impact

Step 8: Consultation with any of the groups potentially affected

If you have consulted with any group potentially affected, please give details of how this was done and what the results were.

If you have not consulted with any group potentially affected, how have you ensured that you can make an informed decision about mitigating action of any negative impact (Step 9)?

Step 9: What mitigating steps will be taken to remove or reduce potentially negative impacts?

Step 10: If a potentially negative impact has been identified, please state below the justification.

Step 11: In what way does this proposal contribute to any or all of the public sector equality duty to: eliminate unlawful discrimination; advance equality of opportunity; and foster good relations between people of different protected characteristics?

Step 12: Is there any action which could be taken to advance equalities in relation to this proposal?

Step 13: FAIRER SCOTLAND DUTY

This step is only applicable to **strategies** which are key, high level decisions. If your proposal is **not** a strategy, please leave this Step blank, and go to Step 14.

Links to data sources, information etc which you may find useful are in the Guidance.

Step 13(A) What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?

Step 13(B) Please state if there are any gaps in socio-economic evidence for this strategy and how you will take measures to gather the evidence you need.

Step 13(C) Are there any potential impacts this strategy may have specifically on the undernoted groupings? Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.

Low and/or No Wealth (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future).

Impact

Material Deprivation (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies).

Impact

Area Deprivation (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport)).

Impact

Socio-economic Background i.e. social class including parents' education, people's employment and income.

Impact

Other – please indicate

Step 13(D) Please state below if there are measures which could be taken to reduce socio-economic disadvantage/inequalities of outcome.

Step 14: What arrangements will be put in place to monitor and review the Equality Impact/Fairer Scotland Duty Assessment?

Step 15: Where will this Equality Impact/Fairer Scotland Duty Assessment be published?

Council website along with relevant Committee report

Step 16: Sign off and Authorisation. Please state name, post, and date for each:

Prepared by: Kevin Birnie, Team Leader Energy and Engineering Services, 7 March 2023

Reviewed by: Douglas Henderson, Manager Property Asset 7 March 2023

Approved by: Graeme Dailly, Director of Infrastructure and Environment
