

Report to Cabinet
12 June 2019
Report of Director of neighbourhoods
Subject To award a contract for the councils gas oil requirements

Item

13

KEY DECISION

Purpose

To seek approval to delegate authority to the director of neighbourhoods in consultation with the cabinet member for social housing to award a contract for the council's gas oil provision.

Recommendations

To delegate approval for the director of neighbourhoods in consultation with the cabinet member for social housing to award the contract for the council's gas oil requirements for four year period 1 October 2020 to 30 September 2024.

Corporate and service priorities

The report helps to meet the corporate priority great neighbourhoods, housing and environment

Financial implications

The costs arising from this decision will be met from approved budgetary provisions within the housing revenue account to a value of approximately £40,000 to £50,000 in total for each financial year, depending on the rates obtained for the gas oil product and levels of usage.

Ward/s: Multiple Wards

Cabinet member: Councillor Harris - deputy leader and cabinet member for social housing

Contact officers

Bob Cronk, director of neighbourhoods 01603 212373

Richard Buckenham, contracts officer 01603 212781

Background documents

None

Report

Introduction

1. Normandie Tower high rise block is the only council owned site that has a gas oil supply requirement.
2. The current contract for the supply of gas oil, comes to an end on 30 September 2020.
3. This contract was awarded via an Eastern Shire Purchasing Organisation (ESPO) framework which is open to local authorities to access.
4. A framework such as the ESPO framework remains the best way to obtain value for money gas oil supplies based on the bulk purchasing power available to them and their suppliers.
5. It is recommended that the council agrees to use the ESPO framework for the four year period from 1 October 2020.
6. The selected supplier on the ESPO framework will provide prices at competitive market rates.
7. A delegation is required as the winning supplier for this period will not be known until ESPO has finished their tender exercise, which requires going out to market to select the supplier offering the best value for money in terms of cost and quality.

Risk implications

8. If the ESPO framework, or similar, is not used the council would pay current market prices for its gas oil requirements. These could be considerably higher than those that will be obtained by any framework supplier's buying power.
9. It is recommended to delegate the award of the contract to the director of neighbourhoods in consultation with the cabinet member for social housing.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	12 June 2019
Director / Head of service	Bob Cronk
Report subject:	To award a contract for the councils gas oil requirements
Date assessed:	20 May 2019
Description:	To seek approval to delegate authority to the director of neighbourhoods in consultation with the cabinet member for social housing to award a contract for the councils gas oil provision.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	An Eastern Shires Purchasing Organisation framework ensures the council achieves value for money for its gas oil provision. An open tendering process will be carried out to ensure the supplier selected to provide this service will ensure that best value is achieved.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Gas oil is not currently able to be purchased using fully green energy provisions.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>1. Risk of challenge from unsuccessful suppliers:</p> <p>Any tenders and frameworks will have followed a restricted process carried out by ESPO, with award criteria being based on the most economically advantageous tender, there is no risk of challenge from unsuccessful suppliers at this stage.</p> <p>2. Risk of supplier failure:</p> <p>There is a risk that the appointed suppliers could fail during the life of the contract. This is low risk as any supplier selected will be a multi-national company but if it does happen our services would continue to be provided. In addition the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that this contract is planned in nature.</p>

Recommendations from impact assessment	
Positive	
Negative	

Neutral
Issues