

Report to the Cabinet

26 January 2026

Wards: All**Liquid Fuel****Report of the Director of Regeneration****Report Status:**

This item is not exempt

Therefore exempt reasons are not applicable

This is a key decision. The matter is in the Forward Plan

Forward Plan reference number : 0051/25

1. Purpose of the Report and Summary

- 1.1. That Cabinet approve the procurement of a Liquid Fuel contract for an initial period of 3-years with options to extend for a further 1-year period followed by a further 1-year period.
- 1.2. That the Assistant Director of Streetscene, in consultation with the Town Clerk and Portfolio Holder for Transport and Infrastructure be authorised to enter a contract with the most economically advantageous bidder.

2. Recommendations

- 2.1 That Cabinet approve the procurement of a Liquid Fuel contract for an initial period of 3-years with options to extend for a further 1-year period followed by a further 1-year period.
- 2.2 That the Yorkshire Purchasing Organisation YPO Framework 1173 - Liquid Fuels and Associated Products (Hull City Council - Lot 7) is utilised for the procurement of the Supply of Liquid Fuels by way of a further competition exercise.

- 2.3 That the Yorkshire Purchasing Organisation YPO Framework 1173 - Liquid Fuels and Associated Products (Hull City Council - Lot 27) is utilised for the procurement of the Supply of Fuel Cards by way of a further competition exercise.
- 2.4 That the tenders shall be evaluated on the basis of 70% price 20% quality and 10% social value.
- 2.5 The anticipated value of the Liquid Fuel contract is £1.5-£1.7million/annum based on spend analysis for the 2024 calendar year.
- 2.6 The anticipated value of the Fuelcard scheme is £80,000- £100,000 annum based on spend analysis for the 2024 calendar year.
- 2.7 That the Assistant Director of Streetscene, in consultation with the Town Clerk and Portfolio Holder for Transport and Infrastructure be authorised to enter into a contract with the most economically advantageous bidder.

3. Reasons for Recommendations

- 3.1. The current contractual arrangement for the Supply of Liquid Fuels & Fuel cards has come to an end. It is essential that a new contract is awarded via a compliant procurement process for the continued operation of key Council services and to ensure compliance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules (CPR's).
- 3.2. The Yorkshire Purchasing Organisation YPO Framework 1173 - Liquid Fuels and Associated Products framework was procured ensuring compliance to the Public Contract Regulations 2015. In February 2025 the Public Contract Regulations 2015 have been superseded with the Procurement Act 2023. The Public Contract Regulations 2015 remain applicable to this framework and the lifetime of any contract procured through it.

4. Key Organisational Impacts

- 4.1. Impact on other Executive Committees (including Area Committees) and decision makers:
 - 4.1.1. The Supply of Liquid Fuels enables Council services to operate across the city and therefore there is no specific area impact.
- 4.2. Contribution to the delivery of the Community Plan, the Council Plan and/or Area Plans:
 - 4.2.1. The proposal forms part of the Council's response to the climate emergency shared ambition within the Community Plan, in the way the tenders are procured and evaluated, to take into account the effect on the Councils carbon footprint and those of the successful supplier.

- 4.2.2. The report contributes to the council's priority to create a healthy, safe and environmentally friendly city. By appointing a supplier who has the ability to meet our changing needs for fuel as we decarbonise our fleet.
- 4.2.3. The report forms part of the council's response to reaching our potential ambition shared within the Community Plan. By appointing a supplier who has the ability to advise the Council on new fuels and the potential they may bring us in the way we use fuel to efficiently operate.
- 4.3. Impact on other key strategies/business plans:
- 4.3.1. This report supports the Council's Business continuity plans and Local Resilience plans
- 4.3.2. Without a Liquid Fuel contract in place, defining delivery dates and times in emergency situations. The Council could be at risk of not delivering key strategic services.
- 4.4. Equalities Impact Information
- 4.4.1. There are no equality impact issues as the proposal is to maintain current contract and frequency of deliveries.

5. Consultation

- 5.1. The Procurement Team and Legal Services will work closely with Officers from Climate Change Development and Streetscene Management throughout the Procurement process.

6. Background

- 6.1 The Council currently spends approximately £1.6 million/annum on the Supply of Liquid Fuels. The Liquid Fuels currently purchased are Ultra Low Sulphur Diesel (ULSD), and AdBlue.
- 6.2 The Council is estimated to require 1.165m litres of ULSD/ annum. This is to supply 9 sites across the Council.
- 6.3 The Council requires 28,000 litres of AdBlue/ annum. This is currently to be delivered to Stockholm Road only.
- 6.4 The current supply of Liquid Fuel's is made via a direct purchase from Rix Petroleum Limited.
- 6.5 Unleaded fuel is currently purchased through Fuel Cards which are currently supplied by Fuelmate (part of The Rix Group) & Allstar Business Solutions Ltd.
- 6.6 There is an ongoing requirement for Liquid Fuels to ensure key Council services run reliably and are cost effective.
- 6.7 The Council does not have facilities to bunker unleaded fuel therefore it is necessary that purchases are made through fuel cards when required. Unleaded

fuel is required to ensure continuity of services such as enforcement services, fuel supplies for vehicles used by the City's children's homes, fuel for parks and gardens equipment such as strimmer's and petrol grass cutters.

7. Issues for Consideration

- 7.1 Due to the nature of the oil market, the supplies of oil-based products are subject to constant fluctuations in price.
- 7.2 Utilising the YPO framework allows the Council to access the economies of scale obtained by a framework agreement.
- 7.3 The YPO framework would make use of a nationally agreed formula (Platts market indexation) which provides the Council with a transparent method of obtaining weekly prices.
- 7.4 Tenderers will submit their bids based on a margin price and small load premiums. Price evaluations will make up 70% of the tender evaluation.
- 7.5 The YPO framework allows contracting authorities to carry out further competition with weightings as follows 70% cost, 20% quality and 10% social value and sustainability.
- 7.6 The Council requires Liquid Fuels to be supplied to 9 sites currently- Stockholm Road, B-Line, Springhead Golf Club, Sutton Golf Club, George Street, Eastern Cemetery, Northern Cemetery, Priory Woods Cemetery and East Park.
- 7.7 The Council declared a climate emergency in March 2019 and has set a target for the City Council to become Net Zero by 2040. The environmental element of the specification for this contract and the tender evaluation will place an emphasis on how the supplier of Liquid Fuels can assist the Council in its Net Zero ambition in terms of its use of fuels and also in the supply of the fuels to the Council. The Council's Senior Decarbonisation Management Officer (Transport) will lead on this element of the specification and will be involved in the evaluation of tenders. Within the period of the contract, it will be necessary for the Council to further promote measures to reduce reliance on fossil fuels, including the current transition to fleet vehicles operated on alternate fuels (e.g. electricity and hydrogen).
- 7.8 It is essential for the ongoing effective delivery of services that the Council has a reliable and robust supply of Liquid Fuel. The specification will therefore detail the Council's requirement for the Supplier to be able to provide delivery within 24 hours of order.
- 7.9 Suppliers are required to detail, and will be evaluated upon, their Business continuity plans in the event of a disruption affecting the supply of fuels as the continued supply is essential for the Council to deliver its services.

- 7.10 Social value to be delivered within this contract will focus on additional environmental benefits that can be delivered towards achieving net zero as well as on local economic wellbeing benefits and social wellbeing benefits.
- 7.11 The Council is an associate member of the YPO and therefore receives an annual dividend derived from any surplus achieved by the YPO based upon the Council's spend through the YPO frameworks. Therefore, in addition to the YPO framework offering a mechanism through which the Council can benefit from the greater purchasing power of the YPO, the Council would also receive a dividend as a result of the spend it puts through the framework.
- 7.12 The Council has awarded contracts for the supply of Liquid Fuels through YPO frameworks since 2011 and has been satisfied with the quality of service and price achieved through those contracts.
- 7.13 Streetscene is an ISO9001:2015 accredited service area and as such we also expect our main suppliers to have this standard or commit to working towards achieving this standard.
- 7.14 In relation to Environmental Management we are interested to know what measures are being taken by suppliers to achieve the best environmental performance possible to assist the authority in achieving ISO14001 standard and further develop the Council's environmental management system (Investors in the Environment) for its operations.

8. Options and Risk Assessment

8.1 Option 1- The Council undertakes the procurement for the Supply of Liquid Fuel through YPO framework 1173 - Liquid Fuels and Associated Products (Hull City Council - Lot 7 & Fuel Cards – Lot 27). This is compliant with the Public Contract Regulations 2015 and the Council's CPR's.

This is the recommended option.

8.2 Option 2- The Council retender the supply of Liquid Fuels & Fuel Cards independently from the framework. Without the buying power and expertise of the Yorkshire Purchasing Organisation, the Council would not benefit from the economies for scale that can be obtain from using a large framework, which may result in additional costs for the supply of this service. Risks are minimal as Suppliers on the framework have already been pre-vetted by YPO for their suitability, cost and quality of service.

This option is not recommended.

8.3 Option 3- Do nothing. This would mean The Council would be required to purchase Liquid Fuels & Fuel Cards outside a compliantly procured contract. This would be a breach of procurement legislation and the Council's CPR's.

This option is not recommended

9. Comments of the Monitoring Officer (Assistant Director of Legal Services and Governance)

9.1. The YPO framework was established in full compliance with the Public Contracts Regulations 2015 which continue to apply to contracts commissioned under it. Further competitions are endorsed by the Council's Contract Procedure Rules and compliant with the selection methodology permitted under the framework. The proposed evaluation criteria is within the range permitted under the framework and will enable the Council to demonstrate best value as required under section 3 of the Local Government Act 1999. It is recognised that the fuel and fuel cards are needed in order for the Council to discharge its various duties and functions. [BC]

10 Comments of the Section 151 Officer (Director of Finance and Transformation)

10.1 The Section 151 Officer notes the recommendation to approve the procurement of the Liquid Fuel contract by utilising the Yorkshire Purchasing Organisation framework.

10.2 The utilisation of the framework will provide the authority with economies of scale obtained within the framework agreement. It will use a nationally agreed formula with a transparent method of obtaining weekly prices for a commodity that is subject to constant price fluctuations. Budget provision is available within service area budgets that utilise the liquid fuel contract.

11 Comments of the Assistant Director OD & HR and compliance with the Equality Duty

11.1 This report and recommendations are noted by the Assistant Director of OD & HR. There are no staffing or equality duty implications. (SH)

12 Comments of Overview and Scrutiny

12.1 This report has not been subject to pre-decision scrutiny. Ref: Sc9007 [PT]

13 Comments of the Portfolio Holder for Transport and Infrastructure

13.1 I support the recommended option, as it helps ensure the essential services our residents rely on continue to run smoothly. I welcome the focus on environmental responsibility too, as it reflects our shared ambition for a cleaner, healthier city for everyone. Ref: MI PF1107.

Chris Jackson

Director of Regeneration

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Officer Interests: None

Background Documents: - None

Implications Matrix

This section must be completed and you must ensure that you have fully considered all potential implications

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Director/Assistant Director	Click here to enter
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Click here to enter
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes

I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	N/A
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	Yes
I have considered how the decision may contribute or impact on culture and heritage within the city.	N/A
I have included information about how this report contributes to the Community Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	Click here to select