

Decision Report – Officer Key Decision

Forward Plan Reference: FP/24/01/22

Decision Date – 9 July 2024

Key Decision – Yes

Confidential Information – None



Fuel Card and Associated Services

Executive Member: Cllr Richard Wilkins- Lead Member for Transport and Digital

Local Member(s) and Division: N/A

Lead Officer: Lisa Hand – Interim Head of Fleet

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Summary / Background

1. Somerset Council operate a mixed fleet of 600 vehicles ranging from cars to HGV's. Most of these are combustion engines that require white diesel. There are a further 33 Electric vehicles on the Fleet and another 12 to be delivered by the end of June 2024. Since April 2023 all vehicles have been re-fuelling using the legacy fuel card. There is a requirement for Somerset Council to now have one single fuel card contract.
2. The Council currently holds 646 fuel cards across 4 separate contracts. The majority of these are assigned specifically to each vehicle for white diesel. There is a small number of spares to issue to short term hire vehicles and a small number are for petrol only, these are used by the grounds maintenance service for strimmer's/blowers etc. The use of fuel cards enables Somerset Council to monitor and manage fuel use effectively ensuring that wherever possible the lowest cost fuel providers are used to ensure best value. The fuel card system ensures that fuel can only be drawn for the vehicle to which the card is allocated (by registration number) and the use per individual vehicle can be monitored.
3. Funding for fuel drawn comes from revenue budgets within services who operate the vehicles. Fleet will administer the charges based on the identity of the operating service area who are then charged accordingly for the fuel they have drawn. Somerset Council has access to discounted fuel through supermarket fuelling stations and pay the pump price on the day of the transaction. Somerset Council do not currently pay a subscription for using fuel cards, although a transaction fee is charged for using certain fuel outlets. Instructions are given to all drivers to use supermarket fuel stations to avoid transaction charges and is charged at a discounted rate.
4. In addition to the standard white diesel, petrol and AdBlue operatives will need, there is now a requirement to have EV RFID Charge cards and Homecharge functionality. This is an associated service provided by AllStar to support

business users as they transition to EV's from ICE vehicles. By the end of June 2024 there will be 45 EV's on the Fleet (34 HRA and 11 pool EVs) that will require charging, with a number of those requiring access to home charging. There is limited charging capacity at depots. Currently Fleet are buying Instavolt RFID cards at £12 per card. There are limited numbers of Instavolt chargers across the County, this will make travel across the County restrictive. The AllStar RFID charge card will allow the driver to charge at multiple public charge points including MFG, Gridserve and Geniepoint. In addition, the AllStar contract enables EV users to charge their EVs overnight at home via the Homecharge part of the contract. The cost of the energy is reimbursed directly to the EV user's energy supplier via Homecharge (to be invoiced to the Council monthly). This enable savings to be made as the energy cost is less than using a rapid public EVCP.

5. An estimated saving of £23k is made through the AllStar Home charge part of the contract. The EVs can charge overnight using cheaper electricity whilst parked on the EV users drive (March 2024 28p per kWh). It is estimated 13 EVs will use Homecharge in the first year.

Recommendations

6. The Service Director – Infrastructure & Transport
 - a. Agrees, in consultation with the Lead Member for Transport and Digital, to direct award a new single fuel card contract to All Star under the compliant CCS RM8186 Fuel Cards and Associated Services Framework for an initial term of 24 months with the option to extend for a further 2 x 12 months.
 - b. The new single contract to include EV charging and the Home charge functionality supporting the transition to electric vehicles as associated services under the CCS RM8186 Framework. It should be noted that this Key Decision doesn't relate to the EV home charging point installer as this is being procured through a separate procurement process.

Reasons for recommendations

7. A new contract is required. The current fuel card does not include EV charging functionality. The new card is needed to give access to a wide range of charge points across Somerset and to enable home charging.

Other options considered

8. The alternative options are:
 - a) To install bunkered fuel tanks at all locations; a 16,000lt bunded fuel tank is currently priced at £15k each, installation costs would be in the region of £10k plus installation of a Triscan fuel system to monitor fuel and be able to register fuel to each vehicle, annual costs for a system would be in the region of £10k per depot; total costs per depot £35k. Colley Lane and Wellington depots do not have the space for a bunded fuel tank.

- b) Have accounts at pre-agreed fuel station across the County. This would require multiple accounts setting up and control of fuel recharges would require significantly more management to monitor it's use.
- c) Ask staff to pay for fuel and claim it back through expenses. This is not practical and many staff would not have the funds to be able to do this.
- d) Preloaded credit cards. This would allow more flexibility for refuelling outside of the County and any location that did not have a fuel station with an account set up. This would require more management to monitor any potential fraudulent use.

Links to Council Plan and Medium-Term Financial Plan

9. The cost of fuel is paid for by the service area operating the vehicle from their revenue budgets via recharges from Fleet.

There is an agreed saving in the MTFP model of £200k reduction in cost from fleet operations for 24/25 and £800k for 25/26. There will be a fleet control board to work with services to reduce the amount they spend on fleet procurement and utilisation, including fuel usage. The £23k saving referred to in the decision paper from the Allstar Homecharge functionality will form part of the MTFP savings in the form of cashable savings. Further savings in relation to fuel will rely on services reviewing routes to make more efficient which will provide a further reduction in fuel usage by the services rather than the change in contract arrangements

Financial and Risk Implications

10. The cost of fuel through current legacy fuel card contracts is £1.328m per annum.

As fuel prices fluctuate daily, the AllStar card will provide the best price on the day of re-fuelling. Anticipated annual spend will be in the region of £1.4m with the current prices, and as stated above will be managed by a Fleet Control Board to ensure that spend remains affordable within the revised budget envelope.

11. The cost of EV charging depends on the charge point being used, whether it is publicly accessible, council owned or a home charger. Other factors such as the charge point output, the charging capacity of the EV and the time of day may also make a difference to the cost of charging. Using the government approved Zapmap pricing index, the March 2024 average price per kWh for public charging at a rapid charge point (50kW +) is 81p, standard and fast (7kW / 22 kW) 56p. The home energy price cap at March 2024 is around 28p per kWh and users may also be able to take advantage of a lower priced off-peak tariff (around 8.3p per kWh) so reducing the cost of charging an EV even further.

Public rapid EVCPs	AllStar	£97k
<p>97k is the estimated cost of charging if all 34 HRA EVs use rapid public charge points (81p per kWh) via the AllStar charge card.</p> <p>There is an estimated saving of £23k to be made through the AllStar Homecharge functionality.</p> <p>This enables those EV users who have off street parking at home, to charge the EVs overnight using cheaper electricity (28p per kWh).</p> <p>The cost of the energy is reimbursed directly to the EV user's energy supplier via Homecharge. It is estimated 13 EVs will use Homecharge in the first year.</p>		
Public rapid EVCPs combined with Homecharge	AllStar	£74k

12. The table below details the main risks if a new fuel card contract is not procured:

Risk and mitigation description	Likelihood	Impact	Risk Score
Service Disruption – Disruption to multiple services, street cleaning, grounds maintenance, highways, street works, housing repairs and statutory landlord compliance are just some that will be impacted by the reduced or limited fuel access.	5	4	20
Increase in vehicle breakdowns – Limiting fuel suppliers could lead to an increase of vehicle breakdowns on the public highway; this would lead to vulnerable users being stranded and waiting for vehicle recovery (including specialist EV recovery) and a bus swap.	5	4	20
Customer Services Impact: Limiting or restricting fuel access could impact multiple services and are likely to receive more complaints which will impact Customer Services volume of work.	4	3	12
Continue with existing fuel card arrangements: currently all services are using the legacy fuel card from the respective former council.	5	4	20

Legal Implications

13. This proposal is to provide a reliable and cost-effective solution to re-fuel all Somerset Council vehicles.

14. It is proposed to award a contract to Allstar for the provision of Fuel Cards and Associated Services. Market analysis was conducted and was open to all suppliers. Allstar provide the best coverage for fuel across the county of Somerset, they offer a 'dual' fuel card which will cover the EV and home charging requirements as associated services through the same contract as the wet traditional fuels and Allstar are also the incumbent supplier which mitigates implementation. The CCS Framework allows for the Direct Award of a contract and based on our market analysis Allstar are the only supplier who can fully meet SC requirements.
15. A Call off Contract with Allstar will be entered into. This contract prepared by CCS under the Framework governs the purchase and delivery of the services. It is formed of the call-off order form (signed by both parties) plus any applicable schedules. The Call off contract and applicable schedules have been developed and drafted with SC Legal Services. It is anticipated that a contract will be signed in June 2024 dependent on the outcome of this key decision report.

HR Implications

16. There are no HR implications.

Other Implications:

Equalities Implications

17. There are no equalities implications, confirmed with Tom Rutland.

Community Safety Implications

18. There are no Community Safety implications

Climate Change and Sustainability Implications

19. There are no Climate Change and Sustainability Implications.

Health and Safety Implications

20. Vehicle inductions are required for EVs user prior to first use, this includes instructions on how to charge the vehicle. For certain drivers, EVs may be easier to use than a traditional vehicle making them a viable option for those with accessibility requirements. Accessibility concerns are addressed at many EV chargepoints to ensure inclusivity for various user groups, minimising discrimination based on disability or other factors.

Health and Wellbeing Implications

21. The Transport in Somerset service also operates several buses across the County to Musgrove Park Hospital. Many users rely on the bus service for life saving appointments.

Social Value

22. There are no social value implications.

Scrutiny comments / recommendations:

23.

Background

24. See summary/background details above.

Background Papers

None

Assurance checklist (if appropriate)

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	07/06/2024
Communications	Peter Elliott	03/06/2024
Finance & Procurement	Nicola Hix	26/06/2024
Equalities	Tom Rutland	09/05/2024
Workforce	Alyn Jones	03/06/2024
Asset Management	Oliver Woodhams	13/06/2024
Executive Director / Senior Manager	Mickey Green	24/06/2024
Strategy & Performance	Alyn Jones	03/06/2024
Executive Lead Member Transport & Digital	Cllr Richard Wilkins	24/06/2024
Consulted:	Councillor Name	
Local Division Members	N/A	
Opposition Spokesperson	Cllr Diogo Rodrigues	06/06/2024
Scrutiny Chair	Cllr Martin Dimery	19/06/2024