

7.4.3 CF2020156 - RETAIL FUEL

Responsible Manager:	David Richardson, Manager Facilities and Infrastructure Maintenance
Responsible Director:	Jarrold Doake, Director City Services

RECOMMENDATION

That Council:

- 1. Approves a variation to Council's existing Contract No. 2020156 to access Ampol Pty Ltd as an approved panel supplier available within the Procurement Australia 2206-0108 Retail Fuel Contract for a schedule of rates based contract with an estimated additional annual contract value of \$730,000.**
- 2. Notes that the original Council approved contract value (approved on 28 July 2020) was estimated as \$1,250,000 inclusive of all available extension options and that the revised estimated total contract value including access to the Ampol Pty Ltd single branded fuel card option is now \$1,980,000;**
- 3. Authorises the Chief Executive Officer or her delegate to execute the contract variation, if required;**
- 4. Notes that the Procurement Australia 2206-0108 Retail Fuel Contract ends on 31 March 2025 and that there are no further extension options available.**

**all dollar figures are GST Inclusive unless stated otherwise.*

INTRODUCTION

Council Officers seek to access an additional supplier available through an existing Procurement Australia panel contract for the provision of Retail Fuel.

COUNCIL PLAN STRATEGIC OBJECTIVES

Sustainable City

Ensure an economically, socially, and environmentally sustainable municipality.

BACKGROUND

Council's fuel has been supplied under two contracts through a group purchasing model with Procurement Australia (PA) and MAV Procurement (MAV). PA and the MAV establish contracts on behalf of or accessible to Local Government authorities so that they may access supplier contracts in an efficient and cost effective manner. The group purchasing provides better procurement outcome by aggregating demand and achieving improved commercial and service outcomes.

The two fuel supply contracts were;

1. The Procurement Australia 2206-0108 Retail Fuel Contract has a range of options including:
 - a. BP Australia (only supplying through BP service stations);
 - b. FleetCor (multi brand card accessing most service stations);
 - c. Caltex (only supplying through Caltex service stations);
 - d. EG FuelCo Australia (only supplying through Woolworths Australia service stations); and
 - e. United Petroleum (only supplying through United service stations).

The PA Contract (2020156 PA Retail Fuel) was approved in July 2020, for the FleetCor multi branded fuel cards (option 'b' above) to supply Council's light fleet.

2. MAV Contract (under Council Contract No. 2018163) for the supply of fuel through Ampol (formally Caltex) retail outlets used for its commercial fleet. This contract took advantage of the location of these outlets relative to the Monash Operations Centre in Notting Hill

DISCUSSION

Currently, Council accesses the following contracts for its fleet fuel requirements.

Contract	Services Provided	Estimated Annual Spend (including GST)
2020156 PA Retail Fuel	Multi branded retail fuel cards	\$250,000
2018163 MAV Bulk Fuel, Fuel Card and Oils, Lubricants and Vehicle Care Products	Ampol Fuel Cards	\$730,000
	Total	\$980,000

Both MAV and PA offer a discount per litre of fuel purchased. Both suppliers also charge a card fee for each card issued.

The MAV Contract commenced on 1 February 2017 with an initial term of three years plus a two-year extension option. As such, this contract was meant to expire on 31 January 2022. However, the MAV did not establish a new contract to replace the expiring contract and instead negotiated an extension of the contract on the same terms for a further 12 months expiring on 31 January 2023.

This MAV extension term has now expired and although the MAV has created a further extension option, Council Officers are proposing to consolidate Fuel contracts to access the Ampol Fuel Card option under the currently approved PA Contract.

Based on annual usage of 330,000L per annum for the Ampol fuel currently used by Council for its commercial fleet located at the Monash Operations Centre at Notting Hill at an average retail price of \$2.20 per Litre, there is a net saving under the PA Contract.

Combining all fuel transactions under the one PA Contract will also provide internal efficiencies within Fleet Services.

Hence it is recommended that the PA Contract (under category option C) be varied by \$730,000 to include the supply of fuel for Council's commercial fleet that was previously supplied under the MAV Contract.

For these reasons, Procurement Australia represents the best value alternative option for Council to access single branded Ampol fuel cards fuel under their existing panel contract.

FINANCIAL IMPLICATIONS

The estimated annual contract value is \$980,000 (GST inclusive). Budget allocations are sufficient within the current financial year to meet this expenditure and future budgets will be adjusted to meet future requirements as required.

POLICY IMPLICATIONS

There are no policy implications to this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this policy/program/service does not have a 'direct' and 'significant' impact on the community.

CONCLUSION

Council had two contracts for the supply of fuel.

1. 2020156 PA Retail Fuel to supply Council's light fleet
2. 2018163 MAV Bulk Fuel, Fuel Card and Oils, Lubricants and Vehicle Care Products for the supply of Council's commercial fleet



The second contract 2018163 with the MAV for the supply of fuel for Council's commercial fleet, has expired. It is therefore recommended to vary Council's PA 2020156 to also supply fuel for Council's commercial fleet that was previously supplied under the contract 2018163 MAV.

ATTACHMENT LIST

1. Fuel Card Evaluation Report [**7.4.3.1** - 18 pages]



Tender Evaluation

2206-0108 - Retail Fuel (Fuel Card Solutions)

Contract Term
April 2020 – March 2023
2 x 1 Year Options to Extend

Commercial in Confidence



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1 – Introduction

Procurement Australia, on behalf of its participating members located nationally as listed in the tender documents, invited tenders for the following contract:

2206-0108 - Retail Fuel (Fuel Card Solutions)

The categories for this tender are:

Category 1 - Single Branded Fuel Card Solution (Fuel card to be used only in a specific branded petrol stations to purchase fuel, gas and other products/services)

Category 2 - Multi Branded Fuel Card Solution (Fuel card to be used in more than one branded petrol stations to purchase fuel, gas and other products/services)

This tender was open to all tenderers capable of servicing either one or both categories on a local, state or national level.

This contract is for the period commencing no later than 1 April 2020 and ending 31 March 2023, with the potential for two (2) twelve (12) month options to extend.

Award by Category

In order to ensure adequate service cover to members, tenders were evaluated by category, and thus contract was awarded by category.

Industry Consultation

Prior to releasing tender information on 28 August 2019, Procurement Australia advertised and carried out one industry briefing session.

The purpose of the industry briefing sessions was to

- a) promote the contract,
- b) provide information on the procurement process, and
- c) make available to the industry a copy of the draft specification for feedback and consultation.

Industry briefs were delivered by Bowen Wu (Procurement Specialist) in Melbourne on 29th July, 2019.

Tender Issue

The tender documents including any subsequent documentation released as part of this tender are listed below:

1. Information for Tenderers
2. Conditions of Tendering
3. Deed of Standing Offer
4. Sub Agreement General Conditions of Contract
5. Specification (provided in this report in Member Documentation)
6. Returnable Schedules

Tenders Received

A total of 11 companies downloaded tender documents via <https://www.tenderlink.com/procurementaustralia> and 5 of those companies submitted their tenders for consideration. Those companies that submitted a tender are listed in the Tender Participation section of this report.

2 – Member Appointment

Procurement Australia asked its members to submit a commitment/engagement letter to participate in this tender before the tendering process began and these 41 members responded:

- 1 Ararat Rural City Council
- 2 Ballarat Health Services
- 3 Bass Coast
- 4 Baw Baw Shire Council
- 5 Bayside City Council
- 6 Box Hill Tafe
- 7 Buloke Shire Council
- 8 Cardinia Council
- 9 Casey City Council
- 10 Central Highlands Region Water Corporation
- 11 Chisholm Institute
- 12 Citywide Service Solutions Pty Ltd
- 13 East Gippsland Regional Water Corporation
- 14 Federation Training
- 15 Frankston City Council
- 16 Gannawarra Shire Council
- 17 Glen Eira City Council
- 18 Goulburn Ovens Institute of Tafe
- 19 Hindmarsh Shire Council
- 20 Hume City Council
- 21 Knox City Council
- 22 Latrobe City Council
- 23 Manningham City Council
- 24 Mitchell Shire Council
- 25 Monash City Council
- 26 Moorabool Shire Council
- 27 Mt Hotham Alpine Resort Management Board
- 28 Murrindindi Shire Council
- 29 Nillumbik Shire Council
- 30 Shire of Campaspe
- 31 Southern Metropolitan Cemeteries Trust
- 32 Southern Rural Water corporation
- 33 Stonnington City Council
- 34 Wannon Region Water Corporation
- 35 West Gippsland Regional Library Corporation
- 36 West Wimmera Shire Council
- 37 Westernport Region Water Corporation
- 38 Whitehorse Manningham Regional Library Corporation
- 39 Wodonga City Council
- 40 Wodonga Institute of Tafe
- 41 Yarra City Council

3 – Tender Advertisement

Industry Briefing

The 2206-0108 - Retail Fuel (Fuel Card Solutions) industry briefing was advertised in the following newspapers:

1. Sydney Morning Herald on 16 July 2019
2. Herald Sun on 17 July 2019

There were 11 individual attendees in the briefing based in Melbourne.



**Notice of Supplier
Tender Briefings**

Procurement Australia, on behalf of its members, Local Government, Statutory Authorities, Not for Profit Organisations, Private Organisations and Tertiary Educational Institutions is currently developing specifications for the following contract:

2206-0108 - Retail Fuel (Fuel Card Solutions)

This tender is to establish either a sole source or panel of providers to service members' requirements nationally for categories including:

Category 1 - Single Branded Fuel Card Solution
Category 2 - Multi Branded Fuel Card Solution

Interested respondents can tender for either or both categories.

To enable appropriate consultation of the industry on the requirements of the tender and to invite feedback, Procurement Australia is convening a Supplier Tender Briefing; the details of which are:

Venue: Melbourne CBD Venue to be advised to RSVP respondents
Date: Monday 29 July 2019
Time: 10.00am to 11.00am

This briefing is open to all suppliers in the Fuel Card industry. Category requirements are still under development and may change. Please pre-register your attendance by email to: events@procurementaustralia.com.au not later than **25 July, 2019**. A maximum of 2 attendees per company is requested.

Enquiries regarding this briefing should be made to Bowen Wu on **(03) 9810 8636** or via email to bowen.wu@procurementaustralia.com.au

Request for Tender

The 2206-0108 - Retail Fuel (Fuel Card Solutions) tender was advertised in the following newspapers:

1. Sydney Morning Herald on 27 August 2019
2. Herald Sun on 28 August 2019

This tender closed at 3.00pm AEST on Wednesday 18 September 2019.



Request for Tender

Procurement Australia, on behalf of its participating members located nationally as listed in the tender documents, invites tenders for the following contract:

2206-0108 - Retail Fuel (Fuel Card Solutions)

The categories for this tender are:
Category 1 - Single Branded Fuel Card Solution
Category 2 - Multi Branded Fuel Card Solution

This tender is open to all tenderers capable of servicing either one or both categories on a local, state or national level.

This contract is for the period commencing no later than 1 April 2020 and ending 31 March 2023, with the potential for two (2) twelve (12) month options to extend.

Enquiries should be directed to Bowen Wu, Procurement Specialist on (03) 9810 8636 or bowen.wu@procurementaustralia.com.au.

Tenders for this Contract close at **AEST 3.00pm on Wednesday 18 September 2019.**

Tender documents will be available from **Wednesday 28 August 2019** and can be downloaded for a non-refundable fee of \$80 from www.tenderlink.com/procurementaustralia

4 – Tender Participation

The following Tenderers downloaded the tender documents from the Tenderlink website as per instructions in the advertisement:

Tender Documents Downloaded
Tenders Submitted
BP Australia Pty Ltd
Business Fuel Cards Pty Ltd
Caltex Australia Petroleum Pty Ltd *
EG FUELCO (AUS) Ltd
The Trustee For United Petroleum Unit Trust T/as United Petroleum Pty Ltd

***Note:**

Caltex's submission was late due to technical challenges with the Tenderlink platform. With supporting documents, decision was made that their tender submission could be accepted via email.

Tenders Not Submitted
Mobil Oil Australia Pty Ltd
Reliable Petroleum Pty Ltd
VIVA Energy
Wex Australia Pty Ltd
Lane Print Group
Melbourne Mail Management

5 – Evaluation Criteria / Weighting

The following evaluation criteria and weightings were used for this request for tender:

Selection Criteria	Sub Weightings	Sub- Criteria
Compliance with Specification	0% (mandatory)	Including but not limited to: 1. Relevant insurance (Public Liability, Product Liability) 2. Compliance with the submission requirements 3. Compliance with terms and conditions of the contract
Contractors Capability	25%	Including but not limited to: 1. Region Coverage (4%) 2. Allocated Resources (4%) 3. Member Reporting – standard & customised (5%) 4. Quality Management (4%) 5. Value Added Products/Services (4%) 6. State-based offers (4%)
Card Features	10%	Including but not limited to: 1. Security (6%) 2. Customisability (2%) 3. Flexibility (2%)
Corporate Social Responsibility Profile	5%	Including but not limited to: 1. Corporate Governance (1%) 2. Social & Environmental Impact (1%) 3. Workplace Practices (1%) 4. Indigenous (1%) 5. Morden Slavery Act related Practice (1%)
Price	60%	Including but not limited to: 1. CPL discount(s) (50%) 2. Card Fees/Transaction Fees (5%) 3. Payment Terms (5%)

6 – Tender Submission Summary

Please refer to the Excel file named **6. *Tender submission summary.xlsx*** for details.

7 – Schedule of Rates

The pricing structure for this contract is not seeking for defined pump price at specific time. Instead, the pricing structure was based on discounts per litre of fuel type.

For Single Branded Category, members will receive 4cpl* (excl GST) from all panel suppliers.

For Multi Branded Category, members will receive 3cpl (excl GST) for Shell petrol station from Business Fuel Cards Pty Ltd.

*Note: Procurement Australia will recommend an RFQ process to be conducted within the panel suppliers to seek most competitive offer. Please contact your relationship manager for more details.

8 – Weighted Aggregated Scores

Scoring method for non-pricing part (0 – 3)

- 0: No response
- 1: Inadequate response – Tenderer’s response is below the minimum requirement
- 2: Response provided and meet minimum level required
- 3: Outstanding response – Tenderer’s response addressed all requirements and exceeded some/all requirements

Scoring method for pricing part (0 – 3)

- A. CPL Discount(s): each supplier’s submission is to be scored and evaluated per state per category. For each category, each supplier’s tiered discounts are averaged to one number for scoring purpose.
 - a. For Single Branded Category, supplier’s offers are evaluated by the following ratio:
Averaged discounts / averaged historical 12 months’ pump price
 - 0: no discount
 - 1: ranked in lower 40% range
 - 2: ranked in top 60% (excluding top one)
 - 3: ranked as top one
 - b. For Multi Branded Category,
 - 0: no discount
 - 1: bottom 0% - 50%
 - 2: ranked top 50% (excluding top one)
 - 3: ranked as top one
- B. Card Fees/Transaction Fees:
 - 0: no responses.
 - 1: neither card fees nor transaction fees are positioned in top 20% of the offers
 - 2: either card fees or transaction fees are positioned in top 20% of the offers
 - 3: both card fees and transaction fees are positioned in top 20% of the offers
- C. Payment Terms:
 - 0: no responses;
 - 1: doesn’t accept standard payment term and proposed new payment term;
 - 2: accept standard payment term
 - 3. provide better payment term

Detailed breakdown of financial & non-financial scorings are contained in the following pages.

Category 1 - Weighted Score

Evaluation Criteria	Weighting	BP Australia Pty Ltd		Business Fuel Cards Pty Ltd		Caltex Australia Petroleum Pty Ltd		EG Fuelco Australia		United Petroleum Pty Ltd	
		Base Score	Weighted Score	Base Score	Weighted Score	Base Score	Weighted Score	Base Score	Weighted Score	Base Score	Weighted Score
1.0 Contractor Capability											
1. Region Coverage	4.0	3.0	12.0	3.0	12.0	3.0	12.0	2.0	8.0	2.5	10.0
2. Allocated Resources	4.0	2.5	10.0	2.5	10.0	2.5	10.0	2.5	10.0	3.0	12.0
3. Member Reporting – standard & customised	5.0	2.5	12.5	2.5	12.5	2.5	12.5	2.5	12.5	2.5	12.5
4. Quality Management	4.0	3.0	12.0	2.0	8.0	3.0	12.0	2.0	8.0	2.0	8.0
5. Value Added Products/Services	4.0	2.5	10.0	3.0	12.0	2.5	10.0	0.0	0.0	2.5	10.0
6. State-based offers	4.0	2.0	8.0	2.0	8.0	2.0	8.0	2.0	8.0	2.0	8.0
<i>Sub Total</i>	25	15.5	64.5	15.0	62.5	15.5	64.5	16.0	66.5	14.5	60.5
2.0 Card Features											
1. Security	6.0	2.5	15.0	2.0	12.0	2.5	15.0	2.5	15.0	2.0	12.0
2. Customisability	2.0	2.0	4.0	2.0	4.0	2.0	4.0	2.0	4.0	2.0	4.0
3. Flexibility	2.0	0.0	0.0	2.5	5.0	2.0	4.0	2.0	4.0	2.0	4.0
<i>Sub Total</i>	10	9.5	29.0	6.5	21.0	6.5	23.0	6.5	23.0	6.0	20.0
3.0 Corporate Social Responsibility											
1. Corporate Governance	1.0	2.5	2.5	0.0	0.0	2.5	2.5	2.0	2.0	2.5	2.5
2. Social & Environmental Impact	1.0	2.5	2.5	2.0	2.0	2.5	2.5	2.0	2.0	2.0	2.0
3. Workplace Practices	1.0	2.5	2.5	2.0	2.0	2.5	2.5	2.0	2.0	2.0	2.0
4. Indigenous	1.0	2.5	2.5	1.0	1.0	2.5	2.5	0.0	0.0	2.0	2.0
5. Morden Slavery Act Related Practice	1.0	2.5	2.5	2.0	2.0	2.5	2.5	2.0	2.0	2.5	2.5
<i>Sub Total</i>	5	12.5	12.5	7.0	7.0	12.5	12.5	8.0	8.0	11.0	11.0
Total Non Price Score - Weighted		106.0		90.5		100.0		97.5		91.5	
4.0 Price											
CPL Discounts	50	3.0	150.0	1.0	50.0	2.0	100.0	2.0	100.0	1.0	50.0
Card Fee/Transaction Fee	5	2.0	10.0	3.0	15.0	3.0	15.0	2.0	10.0	2.0	10.0
Payment Terms	5	2.0	10.0	3.0	15.0	2.0	10.0	2.0	10.0	2.0	10.0
<i>Sub Total Price</i>	60	7.0	170.0	7.0	80.0	7.0	125.0	6.0	120.0	5.0	70.0
Total Price Score - Weighted		170.0		80.0		125.0		120.0		70.0	

Summary

Total Non Price Related - Weighted Score	106.0	90.5	100.0	97.5	91.5
Total Price Related - Weighted Score	170.0	80.0	125.0	120.0	70.0
Overall Score	276.0	170.5	225.0	217.5	161.5
Ranking	1	4	2	3	5

Category 2 - Weighted Score

Evaluation Criteria	Weighting	Business Fuel Cards Pty Ltd	
1.0 Contractor Capability		Base Score	Weighted Score
1. Region Coverage	4.0	3.0	12.0
2. Allocated Resources	4.0	2.5	10.0
3. Member Reporting – standard & customised	5.0	2.5	12.5
4. Quality Management	4.0	2.0	8.0
5. Value Added Products/Services	4.0	3.0	12.0
6. State-based offers	4.0	2.0	8.0
<i>Sub Total</i>	<i>25</i>	<i>15.0</i>	<i>62.5</i>
2.0 Card Features		Base Score	Weighted Score
1. Security	6.0	2.0	12.0
2. Customisability	2.0	2.0	4.0
3. Flexibility	2.0	2.5	5.0
<i>Sub Total</i>	<i>10</i>	<i>6.5</i>	<i>21.0</i>
3.0 Corporate Social Responsibility		Base Score	Weighted Score
1. Corporate Governance	1.0	0.0	0.0
2. Social & Environmental Impact	1.0	2.0	2.0
3. Workplace Practices	1.0	2.0	2.0
4. Indigenous	1.0	1.0	1.0
5. Morden Slavery Act Related Practice	1.0	2.0	2.0
<i>Sub Total</i>	<i>5</i>	<i>7.0</i>	<i>7.0</i>
Total Non Price Score - Weighted		90.5	

4.0 Price	
CPL Discounts	50
Card Fee/Transaction Fee	5
Payment Terms	5
<i>Sub Total Price</i>	60
Total Price Score - Weighted	

Base Score	Weighted Score
3.0	150.0
3.0	15.0
2.0	10.0
8.0	175.0
175.0	

Summary

Total Non Price Related - Weighted Score
Total Price Related - Weighted Score
Overall Score

90.5
175.0
265.5

9 – Contract Award Summary

Through our assessment of the price and non-price related criteria, Procurement Australia has awarded the tender as following.

It is our assessment that a panel of single branded suppliers can be more beneficial for members because:

1. It provides flexibilities to members who prefer single branded fuel cards;
2. It maintains the competitive tension within the panel;
3. It allows customised quotations to be provided;

Members can, at their discretion, choose to seek quotations from panellists via RFQ process if preferred.

		Category 1 - Single Branded Card Solution	Category 2 - Multi Branded Card Solution
1	BP Australia Pty Ltd	National	
2	Business Fuel Cards Pty Ltd	National	National
3	Caltex Australia Petroleum Pty Ltd	National	
4	EG FUELCO (AUS) Ltd	National	
5	The Trustee For United Petroleum Unit Trust T/as United Petroleum Pty Ltd	National	

10 – Recommendations

Procurement Australia recommends the following:

1. Members consider the contents of this report and engage contractors from the Contract Award Summary,
2. Interested members to complete the contract opt in procedure prior to engagement of any panellist,
3. That where appropriate, detailed quotes are sought via an RFQ process under the auspices of the contract.

11 – Member Documents

Please refer to the following two documents for:

1. Sample Opt-in letter: file name - ***Opt in letter template.docx***
2. Procurement Australia relevant staff contact details: file name - ***PA Contact Details***

12 – Supplier Contact Details

The following table contains the key account contact details for awarded suppliers.

Details	BP	Caltex	Business Fuel Card	EG Group	United Petroleum
Name	Derell Tow	Craig Bosly	Colleen Church	Poh Lee	Tony Evans
Position Title	Commercial Sales Manager - VIC/SA	Area Sales Manager	National Strategic Business Manager	Head of Business to Business Fuel Sales	Head of Cards
Postal Address	GPO Box 5222	GPO BOX 3916	Level 7, 417 St. Kilda Rd	Level 39, 100 Miller St	PO Box 5081
Postal Suburb/Postcode	Melbourne VIC 3000	Sydney 2001	Melbourne 3004	North Sydney	Glenferrie South VIC 3122
Physical Address	717 Bourke St	2 Market St	Level 7, 417 St. Kilda Rd	Level 39, 100 Miller St	600 Glenferrie Road
Physical Suburb/Postcode	Docklands, VIC 3008	Sydney 2000	Melbourne 3004	North Sydney	Hawthorn
Telephone	0433 578 754	02 9250 5000	03 8842 3716	0416 064 222	03 9413 1651
Mobile	0433 578 754	0412 285 506	0488 035 812		0417 719 252
E-mail Address	Derell.Tow@bp.com	cbosly@caltex.com.au	colleen.church@fleetcor.com.au	poh.lee@eg-australia.com	tony.evans@unitedpetroleum.com.au
Web Page	www.bp.com.au	www.caltex.com.au	https://www.fleetcard.com.au/		www.unitedpetroleum.com.au