

7.4.1 BULK FUELS & FUEL CARDS - CONTRACT NO. 2025092

Responsible Manager:	Dino De Melis, Manager Facilities and Infrastructure Maintenance
Responsible Director:	Jarrod Doake, Director City Services

RECOMMENDATION

That Council

1. Approves access to Procurement Australia Contract 2703/0110 – Bulk Fuels and Fuel Cards, under Council Contract No. 2025092 for a schedule of rates-based contract with an estimated annual contract value of \$1,000,000 and an estimated total contract value of \$4,000,000 inclusive of all available extension options.
2. Authorises the Chief Executive Officer or her delegate to execute the contract agreement.
3. Notes that the contract initial term ends on 31/03/2027 and that the contract also has two separate extension options of one year each and authorises the Chief Executive Officer to approve extension options subject to Procurement Australia extension approval and satisfactory performance for Council and
4. Notes that the estimated schedule of rates contract values stated above are based on anticipated future spend, inflation and growth (please refer to Financial section for more information).

***Please note that all dollar figures are GST Inclusive unless stated otherwise.**

INTRODUCTION

Council Officers seek to access a panel contract through Procurement Australia for the provision of Bulk Fuels and Fuel Cards.

Council was recently using a previously approved Procurement Australia Contract (Council Contract No. 2020156) for the provision of fuel cards, enabling Council vehicle drivers to obtain fuel from all major fuel outlets.

BACKGROUND

The continuation of a fuel supply contract for Council is crucial to the operation of Council's fleet.

The Municipal Association of Victoria, Procurement Australia, and the Victorian Government Department of Treasury and Finance often establish contracts accessible to Local Government authorities. These organisations aim to achieve efficient and cost-effective supplier contracts by aggregating demand and improving commercial and service outcomes.

On this occasion, a decision was made to seek to access the new Procurement Australia Bulk Fuels and Fuel Cards contract for service continuity and because the previous Procurement Australia contract has provided good value with a wide range of fuel outlets with discounted fuel prices to meet Council's service requirements.

The new Procurement Australia Bulk Fuels and Fuel Cards Contract includes the following sub-categories:

- Category 1.1 – Bulk Fuels

- Category 1.2 – Metered Bulk Fuels
- Category 2.1 – Multiple Branded Fuel Cards
- Category 2.2 – Single Branded Fuel Cards

Council requires access to categories 1.1, 2.1 and 2.2 to ensure that all fleet plant and equipment operate as required.

NOTIFICATION

A Public Notice was not required because the proposal is to access a contract from Procurement Australia Contract Number 2703/0110 Bulk Fuels & Fuel Cards as allowed under Council's Procurement Policy.

TENDER EVALUATION

Procurement Australia undertook an evaluation of all the submissions. Council was provided with a confidential recommendation report from Procurement Australia detailing the suppliers that were successfully awarded a contract.

The Council evaluation panel reviewed the recommendation report and recommends that Council accesses this contract for the following suppliers:

- Ampol Australia Petroleum Pty Ltd; and
- Business Fuel Cards Pty Ltd.

All members of the Council evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised.

FINANCIAL IMPLICATIONS

It is well known that the cumulative volumes leveraged by market aggregators can provide significant competitive advantage in a category where Council's volumes on its own would be considered small. The card solutions offered under the Procurement Australia contract does offer competitive fuel prices and a good coverage of fuel outlets to satisfy Council's needs.

The fuel discounts available through this new Procurement Australia contract are the same as the previous contract and reflect the advantage of tendering aggregated volumes.

Council's 24/25 fuel budget has sufficient funds and the anticipated 25/26 fuel budget has proposed appropriate funds for this contract.

SUSTAINABILITY OUTCOMES

Environmental Sustainability: Some of the fuel stations available through this contract are anticipated to make EV Chargers available to card holders in the future.



CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

Nil