

4.5 TENDER FOR BULK FUEL, FUEL CARD SERVICES AND OILS, LUBRICANTS AND VEHICLE CARE PRODUCTS
(CF2018163: DN)

Responsible Director: Jarrod Doake

RECOMMENDATION*

That Council:

- 1. Approves access to the Municipal Association of Victoria contract 2018163 NPN 1.17: Bulk Fuel, Fuel Card Services and Oils, Lubricants and Vehicle Care Products for provision of bulk fuels, under Council Contract No. 2018163 for a schedule of rates based contract with an estimated contract value of \$600,000 for the 12 month extension period negotiated by the Municipal Association of Victoria;*
- 2. Authorises the Chief Executive Officer or her delegate to execute the contract agreement, if required;*
- 3. Notes that the current contract term, including all available extension options was scheduled to end on 31 January 2023 and that the Municipal Association of Victoria has negotiated an additional extension of 12 months, ending 31 January 2024.*

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

INTRODUCTION

Council Officers seek to continue to access a panel contract through the Municipal Association of Victoria for the provision of bulk fuels and oils.

BACKGROUND

The Municipal Association of Victoria (MAV) often 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. These organisations are focused on achieving better procurement outcomes by aggregating demand and achieving improved commercial and service outcomes.

The MAV established a contract for the supply of Bulk Fuel, Fuel Card Services and Oils, Lubricants and Vehicle Care Products on 1 February 2018 with an initial contract term of three years with two additional extensions of one year each. After the execution of all available extension options, this contract was due for completion 31 January 2023.

Due to resourcing challenges, the MAV were not able to conduct a new tender process to establish new contracts prior to 31 January 2023. To ensure service continuity, the MAV approached all the active panel suppliers under the current contract and have

reached an agreement to extend the contract for a further 12 months. During this time all discounts and contractual arrangements remain unchanged.

In line with the additional 12 month extension negotiated by the MAV, this report seeks approval to extend Council's current contract (2018163 NPN 1.17: Bulk Fuel, Fuel Card Services and Oils, Lubricants and Vehicle Care Products) for an additional one year commencing 1 February 2023, ending 31 January 2024 to align with the revised contract term negotiated by the MAV.

Given the current unstable nature of fuel pricing it was determined that Council would not benefit from running its own tender process, when an aggregator such as the MAV would have greater purchasing power to negotiate a best value outcome.

Therefore, Council Officers seek to access the available MAV contract extension of 12 months whilst the MAV complete the re-tendering process.

The proposed MAV contract extension is for 12 months only ending 31 January 2024, with no further extensions.

NOTIFICATION

A Public Notice was not needed because a new public tender event was not conducted.

EVALUATION

All the suppliers utilised by Council under this MAV contract have proven to be reliable having fulfilled their obligations under the contract. Their services quality has been good with a constructive working relationship established to achieve Council outcomes.

FINANCIAL IMPLICATIONS

The estimated Council expenditure during the extension is \$600,000.

Supplier Name	Estimated Contract Value for the 12 month term
Ampol (formally trading as Caltex)	\$575,000
Castrol	\$ 25,000

There is provision within Council's operational budget for the estimated expenditure.

CONCLUSION

That Council approves the recommendations contained within this report.