

4.3 TENDER FOR RETAIL FUEL – FUEL CARD SOLUTIONS (CF2020156: DN)

Responsible Director:Ossie Martinz

RECOMMENDATION*

That Council:

- 1. Awards the tender from Business Fuel Cards Pty Ltd P/L (FleetCor) for Provision of Fuel Card Services, Contract No. 2020156 for a schedule of rates based contract with an estimated annual contract value of \$250,000 and an estimated total contract value of \$1,250,000 inclusive of all available extension options.;*
- 2. Authorises the Chief Executive Officer or her delegate to execute the contract agreement; and*
- 3. Notes that initial contract term ends 30 March 2023 and the contract has two extension options of one year each and authorises the Chief Executive Officer to approve extension options subject to Procurement Australia extending the contract and satisfactory performance.*

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

INTRODUCTION

Procurement Australia has conducted a tender for Provision of Retail Fuel – Fuel Card Solutions. Council currently utilise an existing Procurement Australia Contract for the provision of fuel cards to allow Council vehicle drivers to obtain fuel from all major fuel outlets.

BACKGROUND

In August 2019, Council was informed of a proposal to appoint Procurement Australia as Council's Agent in a tender for the supply of fuel card solutions. Procurement Australia was then informed of our intention to be to be part of their tender for Retail Fuel – Fuel Card Solutions. Participation in the tender process did not oblige Council to accept the outcome.

NOTIFICATION

A Public Notice was not required because the supplier has been selected from the existing Procurement Australia Contract Number 1802-0104, Provision of Retail Fuel – Fuel Card Solutions as allowed under the Local Government Act, Section 186, Part 5, in accordance with arrangements approved by the Minister.

DISCUSSION

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

The tender undertaken by Procurement Australia in accordance with *Local Government Act, Section 186, Part 5* appointed a panel of providers, each providing fuel and fuel card services. They are:

1. BP Australia (only supplying through BP service stations)
2. FleetCor (multi brand card accessing most service stations)
3. Caltex (only supplying through Caltex service stations)
4. EG FuelCo Australia (only supplying through Woolworths Australia service stations)
5. United Petroleum (only supplying through United service stations)

Whilst the fee structures vary, all offer similar value to Council. However, only the FleetCor card systems offers multi branded card, that is it allows users (drivers) to access most major petrol station brands.

A separate tender run by the City of Monash was not considered to present best value for Council and the Procurement Australia opportunity was considered the best option overall.

FINANCIAL

It is well known that the cumulative volumes leveraged by market aggregators provides significant competitive advantage in a category where larger committed volumes allows significant supply chain advantages. The card solutions offered under the Procurement Australia contract offers the most competitive outcome for Monash.

The annual spend of \$250,000 will be managed in accordance schedule of rates within the contract is managed from within the approved operating budget of each Council department.

SUSTAINABILITY OUTCOMES

1. Environmental Sustainability is enhanced under this contract with the engagement of Greenfleet Programme and Green Earth Appeal;
2. Social Sustainability is demonstrated through FleetCor by engagement in community projects such as Alanna and Madeline Foundation.

CONCLUSION

That Council approves the recommendations contained within this report.