

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 05 October 2021

<b>TITLE</b>	Transition to a low-carbon fleet		
<b>Ward(s)</b>	City Wide		
<b>Author: Nick Gingell</b>	<b>Job title: Fleet Manager</b>		
<b>Cabinet lead: Councillor Craig Cheney, Deputy Mayor - Finance, Governance and Performance</b>	<b>Executive Director lead: Mike Jackson</b>		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>1. This report updates cabinet on the progress of transitioning the council’s fleet as part of the commitment to reduce carbon emissions across council activities, as well as our clean air plans.</li> <li>2. This report also seeks approval for the retender of the Supply and Delivery of Bulk Fuel for Bristol City Council’s Fleet Vehicles, including essential plant and machinery, while we transition to new fleet technologies.</li> <li>3. The new contract will be for a period of 3 years with the option to extend for a maximum of a further 2 years.</li> </ol>			
<b>Evidence Base:</b>			
<ol style="list-style-type: none"> <li>1. Bristol has set ambitious carbon reduction targets, including the ambition for Bristol City Council to be carbon neutral for direct emissions by 2025.</li> <li>2. Bristol City Council also has a moral, environmental, and legal duty to improve air quality.</li> <li>3. As a key part of meeting these goals, Fleet Services are leading a fleet vehicle replacement programme introducing more electric vehicles and hybrids.</li> <li>4. Fleet Services has introduced clear procedures to support internal departments as they move towards compliant vehicles. Part of this change challenges user departments to adopt electric vehicles as the vehicle of choice. With the majority of fleet vehicles being large vans, it also seeks to reduce vehicle size and weight.</li> <li>5. To date BCC has 40 electric vehicles, 182 vehicles compliant with the emissions standards of the Clean Air Zone and is in the process of ordering a further 89 new vehicles, 77 of which will be MHEV’s (Mild Hybrid Electric Vehicles).</li> <li>6. To further support the move to an electric vehicle fleet, 43 individual charging points have been installed across 6 BCC buildings and depots.</li> <li>7. As Bristol City Council looks to adopt more electric vehicles, plug-in hybrids and non-plug hybrids this will lead to significant savings for the organisation and cut carbon and nitrogen dioxide emissions. It’s important to identify which of the fleet vehicles can be practically and cost-effectively replaced with electric vehicles.</li> <li>8. While there has been significant progress to transition, we can expect to use a reduced amount of petrol and diesel as we upgrade our fleet. This is especially the case for specialised equipment and machinery which is not easily replaced, or still has a useful working lifespan remaining before replacement can be viable. Examples would be Harbourmaster’s vessels, and machinery used in maintaining parks and green spaces such</li> </ol>			

as mowers and hedge trimmers. Accordingly, we must commit to a new bulk fuel supply contract to deliver these services, many of them statutory, and Cabinet are asked to approve the tender for a new supply contract. Our consumption of these fuel sources will substantially decrease as we move toward an increased electric fleet.

9. It is important that the new contractor embraces all forms of new technology and supports BCC's ambition to achieve its clean air and carbon neutral targets.
10. While the value of this contract is estimated to be in the region of £3m over 5 years it is less than Fleet Service's current budget for bulk fuel, and it is planned that the cost will reduce further as more electric vehicles are introduced into the BCC fleet.

#### **Cabinet Member / Officer Recommendations:**

That Cabinet:

1. Note the work carried out to date with the installation of EV charge points, the introduction of electric and CAZ compliant vehicles, and the progress towards acquiring new low emissions vehicles.
2. Note the ongoing commitment to reduce fossil fuel vehicles and usage.
3. Approve the re-procurement of the Supply and Delivery of Bulk Fuel contract for 3 years with the option to extend for up to 2 years at a cost of up to £3m.
4. Authorise the Director: Workforce and Change in consultation with the Cabinet Member: Deputy Mayor and Cabinet Member for Finance, Governance and Performance to procure and award the contract necessary for the supply and delivery of fuel, in line with the procurement routes and maximum budget envelopes outlined in this report, noting the associated Procurement and Legal commentaries.
5. Authorise the Director: Workforce and Change in consultation with the Cabinet Member: Deputy Mayor and Cabinet Member for Finance, Governance and Performance to invoke any subsequent extensions/variations specifically defined in the contract being awarded, up to the maximum budget envelope outlined in this report.

#### **Corporate Strategy alignment:**

1. Bristol City Council is committed to building a better Bristol, which includes everyone in the city's success. Fleet Services are here to take care of the economic and environmental wellbeing of Bristol alongside many other local, regional and national organisations.

#### **City Benefits:**

1. As we move toward an increased electric fleet, we also have a need to utilise other vehicles for the authority to deliver multiple essential services to a variety of stakeholders in the short term. This vital work is outlined several times in the corporate plan, without the use of fuel we would be unable to undertake this essential activity which supports the delivery of many council objectives.
2. Ensuring the approved contractor provides fuel of a high standard is important, as a properly maintained vehicle is the best way to maximise fuel and mileage. A poorly tuned engine can increase fuel consumption by up to 50%, which is why it is important Fleet Services keep the vehicle's performance at a high level. This will result in decreasing CO2 emissions into the atmosphere, which are harmful to the environment and the citizens of Bristol.
3. The successful contractor will be expected to minimise the negative impact on the environment by considering environmental impact and sustainability as part of the tender process and performance management and seek to work with Bristol City Council to improve air quality. This will be tracked and monitored through the agreed KPIs and quarterly review meetings.
4. Fleet Services will monitor the support contract for its term to ensure it fully meets BCC/Fleet Service's needs (reviewed quarterly to ensure the system remains fit for purpose and will be diarised on the procurement plan for the fleet). This will ensure BCC has a supplier that meets its service demand, is fit for purpose and provides best value.

#### **Consultation Details:**

1. This is a retender of an existing contract. Bristol City Council, Fleet Services, intends to procure a contractor to supply all bulk fuel for its vehicles and plant.
2. Fleet Services proposes inviting bids on this basis although it is also proposed to evaluate bids on a supply only basis.

**Background Documents:**

1. Appendix A – Current Call-off Contract

<b>Revenue Cost</b>	<b>£0.625m p.a./£3.125m for 5 years</b>	<b>Source of Revenue Funding</b>	<b>HR, Workplace &amp; Organisational Design Division, FM Fleet Services – Revenue Budget</b>
<b>Capital Cost</b>	<b>£</b>	<b>Source of Capital Funding</b>	e.g. grant/ prudential borrowing etc.
<b>One off cost</b> <input type="checkbox"/> <b>Ongoing cost</b> <input checked="" type="checkbox"/>		<b>Saving Proposal</b> <input type="checkbox"/> <b>Income generation proposal</b> <input type="checkbox"/>	

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** The request is to re-procure for the supply and delivery of bulk fuel (petrol/diesel) from 1 April 2022 for up to 5 years (3 years with option to extend for up to 2 years). Annual spend of £0.625m p.a. (total £3.125m over 5 years) is confirmed as covered by FM Fleet Services' approved Revenue Budget.

**Finance Business Partner:** Jemma Prince, Finance Business Partner, 27 July 2021

**2. Legal Advice:** The procurement process must be conducted in line with the 2015 Procurement Regulations and the Council's own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

**Legal Team Leader:** Husinara Jones, Team Leader/Solicitor 23 September 2021

**3. Implications on IT:** No anticipated impact on IT Services.

**IT Team Leader:** Simon Oliver, Director of Digital Transformation 29<sup>th</sup> June 2021

**4. HR Advice:** No HR implications evident.

**HR Partner:** James Brereton, HR Business Partner, 25 June 2021.

<b>EDM Sign-off</b>	Resources EDM. Mike Jackson, Chief Executive	28 July 2021
<b>Cabinet Member sign-off</b>	Cllr Cheney, the Cabinet Member: Deputy Mayor and Cabinet Member for Finance, Governance and Performance	2 August 2021
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	13 September 2021

<b>Appendix A – Further essential background / detail on the proposal</b> Current Call-Off Contract	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>NO</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>NO</b>

<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>No</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>