

Benchmarking and Tendering Exercise Fuel Procurement

The YPO framework from which the Council's liquid fuels requirements have been met previously has been retendered by YPO and replaced with a new framework, competitively tendered on the open market in compliance with the Public Procurement Regulations. YPO also included a lot based solely on Sheffield City Councils basket. The council only received one bid due to the geographical location being an issue for potential bidders at the time of the tender going out. The distance for them from depots to delivery meant the cost would be high for potential bidders so they decided not to bid. The decision to tender SCC's basket standalone as the suppliers use areas to price their margins. There is no commitment for SCC to go with the tender YPO competed on SCC's behalf however after completing our own benchmarking exercise appears the best rate available for us on the market.

Further Benchmarking/Soft Market Test:

Supplier Name	Framework	Feedback
BWOC Ltd	ESPO	Price received: Only on ESPO Framework so couldn't bid on SCC's lot via YPO, however more expensive than winning bidder.
Certas Energy UK Ltd	Both	Winning Bidder
Hall Fuels a trading name of WFL (UK) Ltd	ESPO	No Response Received
Harvest Energy Limited	ESPO	No Response Received
Peak Oil Products (Northern) Ltd	ESPO	No Response Received
Rix Petroleum (Hull) Ltd	Both	Price received- Didn't bid on SCC's lot due to geographical location and therefore there prices were higher.
Crown Oil Ltd	YPO	No Response Received
Standard Fuel Oils Ltd	YPO	No Response Received

Further independent benchmarking of the framework undertaken by the Council has concluded that the YPO framework offers the simplest and best value route to market and that the recommended supplier for Sheffield is competitive. Further research into other frameworks were carried out which included ESPO and re-contacting the suppliers on the YPO Framework. We had three responses and the suppliers were on both frameworks and offered the same rate on both. Certas Fuels were still the cheapest supplier on the all Frameworks and overall best value for money.

Suppliers confirmed that the rates they offered on the framework are considerable cheaper than rates they would be able to offer to individual businesses that tendered their own requirements for fuel. This is due to the massive amount of fuel that YPO purchase and the discount this provides. After comparing the frameworks that were researched, the YPO Framework came out cheapest to call off from as they offer a rebate on fuel purchased (0.0025p per litre).

Below is a table of the findings from the soft market test. The margin/price listed below excludes the commodity itself – as this is based on the weekly Platts price, which is an industry standard, so all suppliers charge the same. The prices on the spreadsheet below is worked out by the margin the supplier charges which is all in pence, along with the any small load premiums based around the drop size and the weekly Platts price at the time of the soft market test. As you can see from the below table Certas Fuels came out cheaper than both other suppliers. they were £205,491.33 cheaper than the next supplier.

Information below produced 15th July 2020:

Estimated Annual Requirements	CERTAS FUELS (Current Supplier)			Total Price	BWO C			Total Price	RIX FUELS			Total Price
	Margin/Price	Small Load Premium	Margin and SLP		Margin/Price	Small Load Premium	Margin and SLP		Margin/Price	Small Load Premium	Margin and SLP	
297048	1.59	0	1.59	£472,306.32	0.55	0.37	0.92	£273,284.16	2	0	2	£594,096.00
85164	1.59	0.1	1.69	£143,927.16	0.85	2.65	3.5	£298,074.00	2	1.3	3.3	£281,041.20
648338	1.59	0	1.59	£1,030,857.42	0.55	0.7	1.25	£810,422.50	2	0.4	2.4	£1,556,011.20
3775	2.3	0	2.30	£8,682.50	0.85	3.5	4.35	£16,421.25	2.1	1.8	3.9	£14,722.50
40731	2.3	0.1	2.40	£97,754.40	1.55	2.65	4.2	£171,070.20	2.1	1.3	3.4	£138,485.40
2400	2.3	0.65	2.95	£7,080.00	0.55	2.65	3.2	£7,680.00	2.1	3	5.1	£12,240.00
7500	2.3	0.45	2.75	£20,625.00	0.85	2.65	3.5	£26,250.00	2.1	2	4.1	£30,750.00
28796	2.3	0.45	2.75	£79,189.00	0.85	3.50	4.35	£125,262.60	2.1	2	4.1	£118,063.60
23299	2.3	0.1	2.40	£55,917.60	0.85	5.00	5.85	£136,299.15	2.1	1.3	3.4	£79,216.60
6,328	2.3	0	2.30	£14,554.40	0.85	3.50	4.35	£27,526.80	2.1	1.3	3.4	£21,515.20
699	2.3	0	2.30	£1,607.70	0.85	2.65	3.5	£2,446.50	2.1	5	7.1	£4,962.90
1198	2.3	0	2.30	£2,755.40	0.85	5.00	5.85	£7,008.30	2.1	3	5.1	£6,109.80
1000	2.3	0	2.30	£2,300.00	0.85	5.00	5.85	£5,850.00	2.1	3	5.1	£5,100.00
85001	2.98	0.1	3.08	£261,803.08	0.85	5.00	5.85	£497,255.85	3	1.3	4.3	£365,504.30
				£2,199,359.98				£2,404,851.31				£3,227,818.70