

# Supply of Liquid Fuels Call-off Process Ref SP- 22-012

**Buyers Guide** 

Version 1.0 May 2023

# **Version Issue**

Version	Issue Date	Comments
1.0	June 2023	Original Issue

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## 1. Foreword & acknowledgements

Scottish Procurement aims to deliver benefits to the people of Scotland through improved value for money for taxpayers, improved goods and services for all our citizens and economic opportunities for Scotland. This is achievable through effective collaboration throughout the procurement cycle.

Scottish Procurement would like to acknowledge the work, support and contribution from all sector representatives for their contributions in developing this liquid fuels call-off process.

## 2. Introduction

This buyer's guide provides guidance to public sector organisations on accessing and utilising the Scottish Liquid Fuels Call Off process via the CCS RM6177 framework.

Best value while using the call-off process can only be achieved through the commitment to regular deliveries over the fixed term of the arrangement and by ensuring that the site data information you provided is an accurate reflection of your requirements and estate.

During the life of this arrangement please keep updated your site data spreadsheet, to reflect accurately actual fuel usage, tank facilities, ordering timetable and appropriate contact points for on-site deliveries, organisational energy management, procurement and invoicing.

## 3. Contract Overview

#### 3.1 Framework Title

National Fuels 2 CCS framework RM 6177.

## 3.2 Framework period

The CCS framework RM6177 covers the period to 31 March 2025.

## 3.3 Call-Off contract period

This call-off from CCS framework RM6177 commenced on 01 April 2023 until 31 March 2025 with 2 x one year option periods . Scottish Procurement was acting as an intermediary to bring the Scottish public sector together, so contracts are with the individual bodies and the suppliers. Scottish Procurement oversee the relationship with CCS and the public bodies.

## 3.4 Number of Lots

The Scottish Procurement call-off consists of four Scottish lots, (North, West, Central and South) divided in to fuel types covering all postal codes (including remote areas and Islands). Marine Oils and Heating Oil Substitutes are available on certain lots only and in some cases for the first time. The detail is provided below;

- Lot 101 Scotland North: the supply of Adblue, Diesel, Glass Oil Class A2, Gas Oil Class D, Heating Oil Substitute to BS2869, Kerosene, Marine Gas oil and Petrol ULSP.
- Lot 102 Scotland West: the supply of Adblue, Diesel, Glass Oil Class A2, Gas Oil Class D,
   Heating Oil Substitute to BS2869, Kerosene, and Marine oil.
- Lot 103: Scotland Central: the supply of Adblue, Diesel, Gas Oil Class D, HVO White, Kerosene, Marine Oil and Petrol ULSP.
- Lot 104: Scotland South: the supply of Adblue, Diesel, Glass Oil Class A2, Gas Oil Class D
  and Kerosene.

Detailed definitions of these fuels is available at **ANNEX B**.

## 3.5 Process to purchase basic requirements for fuel delivery under the call-off contract

If your basic requirement for delivery of fuel(s) changes from your original requirement, as detailed in your Site template you should:-

- Maintain an up to date site addition template and ensure both you and your suppliers are content it is a true representation of deliveries being made.
- If the margin is different to the original tendered margin as detailed in your short order forms, acceptance by you of the successful bidders margin must be provided back to Scottish Procurement before a successful bidder's account can be created and fuel can be delivered. Please contact billy.lawson@gov.scot
- Periodic reviews of accurate site addition data will be undertaken by Scottish
   Procurement during the term of this contract. This is because your data is used to create your account and invoicing information.
- Continually review and update site data.

#### 3.6 Call Off Contractors

The table below outlines the contractors who have been awarded work under the Scottish Procurement call-off agreement. The call-off contract agreement consists of up the 2 awarded successful bidders covering Scotland.

	Supplier 1	Supplier 2		
Regions	(SP-22 - 012 - 1)	(SP-22 – 012 – 2)		
	Certas Energy UK Ltd	Highland Fuels Ltd		
	t/a Scottish Fuels			
<b>Scotland North</b>	Lot 101	Lot 101		
	AdBlue, Diesel, Gas Oil A2, Gas			
	Oil Class D, Heating Oil Substitute			
	to BS:2869, Kerosene, Marine Gas			
	Oil, Petrol ULSP			
<b>Scotland West</b>	Lot 102	Lot 102		
	AdBlue, Diesel, Gas Oil A2, Gas Oil			
	Class D, Heating Oil Substitute to			
	BS:2869 Kerosene, Marine Gas Oil			
<b>Scotland Central</b>	Lot 103	Lot 103		
	AdBlue, Gas Oil A2, Gas Oil Class	Diesel		
	D, HVO (White), Kerosene,			
	Marine Gas Oil, Petrol ULSP			
<b>Scotland South</b>	Lot 104	Lot 104		
	AdBlue, Gas Oil A2, Gas Oil Class	Diesel		
	D, Kerosene			

Contact Details for suppliers is available at **ANNEX A.** 

If you have a more complex requirement, for example if you require additional services or wish to include special terms in addition to the standard terms and conditions of the call Off Agreement, then please contact the <u>RM6177 National Fuels Team</u> who can assist you to carry out a mini competition to meet your specific requirements.

## 3.7 Procurement Reform (Scotland) Act 2014 call-off obligations

Buyers are reminded of the obligations contained in the <u>Procurement Reform (Scotland) Act</u> <u>2014</u> in relation to the award of contracts valued equal to or greater than £50,000 including those awarded as a result of a framework call-off/mini competition.

In particular, buyers should note that in accordance with <u>Section 23(2)</u> the award of contracts must be publicised on the Public Contracts Scotland website and in accordance with <u>Section 35</u> contracts must be registered in the contracting authority's "contracts register".

Your attention is also drawn to the requirement to provide feedback in accordance with Section 32 and Section 33

#### 3.8 Entitlement to use the Scottish Procurements call-off contract

It is the responsibility of any buying organisation wishing to use the call-off contract agreement to satisfy itself that it is eligible to do so. Entitlement can be established from call-off re-let Statement of Requirements document or if there is any doubt legal advice should be sought.

#### 3.9 Call-off contract benefits

The benefits for Scottish public bodies using a this contract are that it will provide:

- Lowest possible price for delivery of liquid fuel across the whole of Scotland
- Clear and transparent pricing to drive customer behaviours
- Options on payment with discounts available
- Comprehensive management information
- Improved customer service
- Contract management ensuring service levels and Key Performance Indicators (KPIs) are met
- Diverse product range to meet customer requirements, including cleaner alternatives
- Reliability of service, regardless of location
- Consistent quality of product
- Reliance/continuity of supply/regional coverage
- Good blend of local and national operators
- Community benefits
- Overview of cost of fuel by post code by fuel type across Scotland
- Fixed successful bidders margin for entire agreement term, including any extensions
- Weekly Platts pricing provided to monitor spend

## 3.10 Call-off Sustainability benefits

As part of the call-off contract agreement, suppliers have committed to the following sustainable benefits:

- across all suppliers, employees are paid at least the Scottish Living Wage;
- all suppliers provide flexible working;
- there are no zero-hour contracts;
- Employee opportunities for learning and development;
- Certas Energy & Highland Fuels both provide financial support and engagement to community groups and charities;

## 3.11 Scottish Procurement point of contact:

<u>billy.lawson@gov.scot</u> Portfolio Specialist | Scottish Procurement and Property Directive, The Scottish Government, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8LU

Tel: 07465 69965

## 4. **Pricing Mechanism and Price Build**

The call-off provides for a pence per litre (ppl), delivered to point of need that will be fixed for the entire duration of the call-off for declared sites that were declared prior to the procurement exercise. Successful contractors margin (as defined in your site addition template) may vary for additional sites added after the call-off commencement date.

During subsequent years, the price may be varied subject to suitable Government indexations.

This guide will be regularly updated to reflect any changes to the call-off successful bidders margin prices, terms or legal obligations.

The total pence per litre calculation for orders against this call-off under RM6177 are as follows:

Total pence per litre price delivered to point of need = Platts Commodity cost (weekly lagged) + Supplier Margin + CCS Management fee \*(£0.002 or 0.2 of a pence per litre – any invoice reductions, all Ex-Vat).

\*This is a fee for using the CCS Liquid Fuels Framework and will be added to your invoice.

The weekly commodity cost per product fuel type is available within a 'Bill Checker' available as part of the National Fuels 2 - CCS (crowncommercial.gov.uk) The weekly lagged price is updated every Monday.

Only customers participating in this call-off have access to this information.

## 5. Frequently Asked Questions

## 5.1. What is the call-off start date and what is the duration?

The call-off period commenced on the 01 April 2023. The duration of call-off agreements is two years from 01 April 2023 to 31 March 2025 with 2 x 1 year option periods.

## 5.2. Which Scottish public sectors bodies can use the call-off?

Only those who have initially signed up to this call-off prior to the procurement exercise undertaken by CCS in February 2023. However, if you have a significantly large requirement, CCS may undertake a mini-competition for you. Please contact <a href="mailto:billy.lawson@gov.scot">billy.lawson@gov.scot</a> in the first instance to discuss your requirement. Note that it is the responsibility of any buying organisation wishing to use the call-off agreements to satisfy itself that it is eligible to do so. If there is any doubt, legal advice should be sought.

## 5.3. Are the call-off terms and conditions subject to Scots Law?

Yes.

## 5.4. What are the and successful bidder's management provisions?

The call-off will be managed overall by Scottish Procurement, who will be responsible for regular successful bidders review meetings covering escalated issues, KPIs, benchmarking, pricing and innovation, but individual organisation should be measuring their successful bidder's performance also. Throughout the call-off period and following framework expiry, public bodies will be required to manage the day-to-day operational aspects of their contract with their successful bidder.

# 5.5. Will Management Information (MI) be provided by the successful bidders as part of the call-off?

Yes, management information will be provided by the successful bidders throughout the lifetime of the agreement. Management information will be provided by suppliers to CCS. CCS and Scottish Procurement will prepare relevant and proportionate Strategic MI reporting. Local MI gathering and reporting will be the responsibility of individual public bodies.

## 5.6. How long can the call-off contract be?

Call-off contracts under the CCS framework are not limited to the framework period. Typically a call-off contract can be up to 5 years, but will depend upon the commodity being procured, costs and its strategic importance.

# 5.7. How long is pricing held for?

Pricing will be fixed for the duration of the call-off contract including any extensions.

# 5.8. Savings

Savings are based against the procured Base Line supplier's margins only, and not measured against the old and new call-off. Savings against the global commodity price (provided by the weekly Platts pricing sheet from CCS) are savings passed on by the successful contractors to you through your invoicing automatically.

#### **ANNEX A**

## **Supplier Details**

Scottish Company	SME Yes/ No	Bidders name	Contact Email	Contact Phone	Account Managers Name	Business Address
Yes	No	Certas Energy t/a Scottish Fuels	Scottish.nationalaccounts@cert asenergy.co.uk	03453034 430, Option 1	Gillian McKenzie	Address - Tryst House, Glenbervie Business Park, Larbert, Stirlingshire FK5 4US
Scottish Company	SME Yes/ No	Bidders name	Contact Email	Contact Phone	Account Managers Name	Business Address
Yes	Yes	Highland Fuels Ltd	pamela@highlandfuels.co.uk	01463 245824	Pamela Maclean	Address - Affric House, Beechwood Park Inverness, IV2 3BW

## Additional successful bidder information

**Certas Energy t/a Scottish Fuels** - The department is manned from 08.30 to 5.00pm Monday to Friday. Deliveries are made within 48 hours of receipt of order under normal operating conditions unless specified differently by the customer.

Contact Name: Gill McKenzie

Contact email: <a href="mailto:scot.nationalaccounts@certasenergy.co.uk">scot.nationalaccounts@certasenergy.co.uk</a>

Contact telephone: T 03453034430, Option 1

M 07825065632

**Highland Fuels Ltd** - Liquid Fuel ordering process

Telephone: 01463 245824.

Email address to <a href="mailto:co.uk">commercial@highlandfuels.co.uk</a>

Mon to Fri 0800 to 1700 hrs

Contact – Pamela MacLean and/or Dan McDermott

Out of Hours – Pamela MacLean tel. 07899 067740, Dan McDermott tel. 07551 010407

#### **ANNEX B**

## **Explanation of fuel types available on the RM6177 Framework**

## Gas Oil A2

(Heating Oil)

- Ultra-Low Sulphur Gas Oil
- ULSG
- Gas Oil 35
- 35 Second Oil
- Red Diesel
- Number 2/3 Fuel Oil

Used for all inland applications: Site Vehicles, tractors, bulldozers, gritters - non road vehicles. And use in static electricity generation or heating.

Effectively the standard gas oil, available from all terminals and distribution depots.

Can only contain up to 10 ppm Sulphur

Can contain up to 7% BioDiesel.

Priced from Diesel Platts.

## **Kerosene**

(Heating Oil)

- Paraffin
- Class C2
- Class C1 / PBO
- 28 Second Oil
- Regular Burning Oil
- Number 1 fuel oil
- Kero

Kerosene is used for domestic heating in the UK because it does not carry duty and so is cheaper than gasoil, unlike Europe. It contains up to 1000 ppm sulphur and so is more polluting than Class A2 gasoil.

It is used in jet-engine aircraft as well as heating systems C1 is premium paraffin or premium burning oil (PBO). It has lower sulphur content than regular kerosene (400 ppm) and is used for paraffin heaters and lighter fluid.

Typically stored in blue or blue-labelled container Priced from Platts.

## **Gas Oil Class D**

(Heating Oil)

- High Sulphur Gas Oil
- Gas Oil 0.1%
- Class D
- 1000ppm Oil

Gas Oil Class D cannot be used in off road mobile plant but can be used inland in stationary generators and heating applications such as boilers.

Contains up to 1000 ppm Sulphur

Much harder to come by than Class A2 and is generally only available where there is a demand for marine gas oil.

Priced from Platts.

## **Light Fuel Oil**

(Heating Oil)

- LFO
- Number 4 Fuel Oil
- Class E

Residual fuel oils or "black oils" which are blended from the residue which remains from the crude oil after the distillates and lighter products have been removed. Residual fuels are primarily used in industrial boilers and other direct heating applications (e.g. blast furnaces) and as a marine fuel where sulphur limits allow.

Classified according to viscosity. The fuel oil composition depends on the origin of the crude oil as well as on the refining process it results from.

Does not require a pre-heating.

Priced from blend of Gas Oil A2 + HFO Platts as per MFO.

## **Medium Fuel Oil**

(Heating Oil)

- MFO
- Number 5 Fuel Oil
- Class F

Residual fuel oils or "black oils" which are blended from the residue which remains from the crude oil after the distillates and lighter products have been removed. Residual fuels are primarily used in industrial boilers and other direct heating applications (e.g. blast furnaces) and as a marine fuel where sulphur limits allow.

Classified according to viscosity. The fuel oil composition depends on the origin of the crude oil as well as on the refining process it results from.

May require pre-heating, but not storage heating.

Priced from 15% Gas Oil A2 + 85% HFO Platts.

## **Heavy Fuel Oil**

(Heating Oil)

- Heavy Fuel Oil (HFO)
- Fuel Oil 1%
- Residual Fuel Oil (RFO)
- Furnace Fuel Oil (FFO)
- Number 6 Fuel Oil
- HFO
- Class G

Residual fuel oils or "black oils" which are blended from the residue which remains from the crude oil after the distillates and lighter products have been removed. Residual fuels are primarily used in industrial boilers and other direct heating applications (e.g. blast furnaces) and as a marine fuel where sulphur limits allow.

Classified according to viscosity. The fuel oil composition depends on the origin of the crude oil as well as on the refining process it results from.

Requires storage heating and pre-heater in order to use.

Priced from Platts.

## **BioDiesel**

(Heating Oil/ Automotive Fuel)

- B8 B100
- Standard (B100): EN14214
- Biofuel
- CHP Fuel

With Renewable Energy Directive there is an increasing demand for bio-fuels. Biodiesel is a blend of mineral diesel with Fatty Acid Methyl Ester (FAME) produced from plant oils, used cooking oil or tallow in any percentage as represented by B#

B100 is used in some combined heat and power plants (CHP).

Priced from Diesel Platts.

## **Petrol**

(Automotive Fuel)

- Petroleum
- Gasoline
- Ultra-Low Sulphur Gasoline
- ULSG
- Unleaded
- Standard: EN228
- ULSP

Obtained from crude oil refining, differing from similar fuels by molecular weight. This defines physical properties including viscosity and flash point, in turn affecting usage.

10 ppm Sulphur

Used in Spark ignition engines in cars, motorbikes, light aircraft, outboard motors, chainsaws, strimmer's, lawn mowers etc.

Lead was used as an additive to improve efficiency. Lead replacement petrol (LRP) is available for old vehicles

Priced from Platts.

#### Diesel

(Automotive Fuel)

- Road Diesel
- White Diesel
- Ultra-Low Sulphur Diesel
- ULSD
- Diesel-engine road vehicle
- DERV
- Standard: EN590

Obtained from crude oil refining, differing from similar fuels by molecular weight. This defines physical properties including viscosity and flash point, in turn affecting usage.

10 ppm Sulphur

Used in Compression ignition engines in cars, buses and trucks.

Contains more energy per litre than petrol and has a more efficient combustion process meaning higher fuel efficiency and lower CO2 emissions.

Can contain up to 7% BioDiesel.

Priced from Platts.

## **BioDiesel**

(Automotive)

- B8 B100
- Standard (B100): EN14214

With Renewable Energy Directive there is an increasing demand for bio-fuels. Biodiesel is a blend of mineral diesel with Fatty Acid Methyl Ester (FAME) produced from plant oils, used cooking oil or tallow.

Biodiesel has a "shelf-life" where Diesel does not, and will also initially cause filters in vehicles to clog more frequently, and there are concerns over gelling at very low temperatures. Because there is no standard profile for a blended product engine manufacturers are not presently willing to warranty their engines. This is causing delays in the adoption of the fuel. Benefits include the recycling of waste oil and increased carbon neutrality. TFL is currently under the directive to convert its fleet to B20 in coming years.

Priced from Diesel Platts

## **Bio-ethanol**

(Automotive)

Standard EN15736

Bio-ethanol is produced through fermentation of sugar or starch in crops such as beet, sugar cane and wheat to produce pure ethanol which can be blended with petrol in quantities up to 5% without engine modification. It contains more oxygen than petrol and therefore burns more cleanly.

Priced from Platts.

## **AdBlue**

(Alternative Products)

AdBlue is commonly referred to as Diesel Exhaust Fluid (DEF) and is standardised as ISO 22241. AdBlue is Urea Solution made up of 32.5% high-purity urea and 67.5% de-ionised water. It is used to lower nitrous oxide that is omitted from Diesel engines exhausts. AdBlue reacts with Nitrous Oxides (NOx) absorbing the harmful elements, therefore producing lower emissions.

#### Available in:

- 20L containers
- 200 L Barrels
- 1000 L IBC's
- Bulk delivery

Not priced from Platts. Priced by supplier as per manufacture/supply.

Other Additives Other less common additives and fuels may be covered and specific arrangements can be made with the liquid fuels team.

## **Marine Gas Oil**

- Marine Gas Oil
- MGO
- Class DMA

1000 ppm sulphur gas oil and can be used in all marine applications. It does not usually meet either Class A2 or Class D and is generally not suitable for inland use.

Typically used by Ferry's and Commercial ships. Smaller vessels will likely use more regular fuels due to availability, sulphur profile and lack of specialist equipment.

Priced from Gas Oil Class D Platts.

## **Heating Oil Substitute to BS: 2869**

(Heating Oil)

**Common Brands:** 

- Prima 35
- Furnace Flame
- Green Flame
- Ultra 35

These alternative fuels are intended solely as a replacement for Heating Oil and cannot be used in vehicular combustion engines. The fuels are blended to meet Class D Heating oil spec, except for cetane (only relevant in engine applications) and will operate just as well as a standard gas oil in any existing standard gas oil burning application. Although fuels meet the British Standards for Gas Oil, in terms of HMRC and the Hydrocarbon Oil excise Duty Act (HODA) they meet the Kerosene requirements. This means that there is no duty on these fuels, leading to a saving which can be passed on to the customer.

Priced from Gas Oil Platts. This includes Gas Oil duty, and as such you may encounter a negative supplier margin because they would still incur a profit.

## Gas to Liquid

(Automotive)

• GTL

Gas to Liquid is an alternative fuel used in diesel engine vehicles. GTL is seen as a premium product and is used to reduce the emissions commonly produced by diesel engines. Benefits:

- Fuel can directly replace diesel without converting the engine
- High cetane number helps engine ignition in colder weather
- Noise levels reduced
- Reduced emissions

There are alternative products available on the market used to reduce diesel emissions.

Please note, Framework users are not limited to the products listed in this document. As and when new products come to market they can be added to the framework.

#### **ANNEX B**

#### **Notes**

Every care has been taking to ensure the accuracy of this document (Buyers Guide), and errors do occur. If you identify an error, then please contact <a href="mailto:billy.lawson@gov.scot">billy.lawson@gov.scot</a>.

This Buyers Guide is for the procurement of liquid fuels from the Scottish Governments arrangement **SP-22-12** and is subject to changes without notice. It is the responsibility of individual organisation who participated to regularly review its content. No new organisations can join without prior approval of CCS and may not necessarily attract the same bidders margins as procured in the CCS procurement exercise of February 2023.

Organisations who wish to add sites within a defined geographical lot after the commencement date may not necessarily attract the same bidder's margins. This will depend on individual locations of the new sites and the specific fuel type required.

PINew sites or removal of old sites completion of the Blank Site Addition Template must be fully completed and returned to <a href="mailto:billy.lawson@gov.scot">billy.lawson@gov.scot</a> and not the awarded bidder.

Crown Commercial Services (CCS) and not Scottish Procurement are solely responsible for the creation and maintenance of the Weekly Platt's Bill Checker.

All documentation relating to the call-off process is available at <u>National Fuels 2 - CCS</u> (<u>crowncommercial.gov.uk</u>). Additional copies are available of the Scottish Information Hub.

**END SUPPLIERS GUIDE**