

Ref:

608/15

Executive Decision Record

Please leave blank for completion by DS officers

A1 Service Area:

Environment

A2 Title

The Procurement of a Replacement Fuel Tank for the Council's Depot

A3 Decision Taken By

~~Cabinet/Leader~~ Deputy Leader/ Chief Officer (please delete as appropriate)

A4 Chief Officer

Paul Costiff

A5 Leader/Deputy Leader

Councillor Patricia Ackroyd

A6 Date of Decision

23rd September 2015

A7 Is this Decision confidential by containing exempt information as described in Schedule 12A of the Local Government Act 1972?

~~Yes~~/No (please delete as appropriate)

A7.1 If yes, please state relevant paragraph from Schedule 12A LGA 1972.

Paragraph []

A8 Which Scrutiny Committee should this decision be submitted to?

(please tick as appropriate)

Scrutiny (Promoting Local Economic Growth) Committee

Scrutiny (Value for Money Council Services) Committee

✓

Scrutiny (Protecting and Strengthening Communities) Committee

B1 What is the Decision?

To award the contract for the replacement of the fuel tanks in the Council's depot to the preferred bidder – Centaur Fuel Management Ltd.

B2 What are the reasons for the Decision?

The waste management depot, located at Millers Lane, Burton upon Trent, houses the Council's vehicle fleet used in the delivery of the waste collection, street cleansing and public convenience services.

The majority of the Council's vehicle fleet run on diesel requiring an annual supply of approximately 360,000 litres. However, the use of petrol is limited and the most recent purchase of 3,000 litres was made in late 2011.

There are 3 underground fuel tanks. The first is used for diesel, the second for petrol and the third is not currently used. Each of these tanks has a capacity of approximately 40,000 litres.

Since petrol is a highly flammable liquid, its storage is governed by legislation; the Petroleum (Consolidation) Regulations 2014. The safe storage and use of petrol in workplaces is also covered by the Dangerous Substances and Explosive Atmospheres Regulations 2002.

In order to comply with this legislation, the Council is required to hold a Petroleum Storage Certificate and have an annual inspection of its premises by Staffordshire County Council as the designated Petroleum Enforcement Authority.

There is no such legislation for the storage of diesel.

The underground tanks are believed to be in excess of 25 years old. With an estimated life of 30 years it is possible that they could fail in the near future, presenting a risk to the Council in terms of service delivery and contamination of the local environment.

This was highlighted in a recent internal audit report which recommended:

- a) Undertaking a survey of the condition of the diesel storage tank, if possible;
- b) Investigate the age of the existing diesel storage tank;
- c) Consider replacement of the storage tank with a modern above ground option.

A combination of operational efficiencies delivered through the use of the Bartec system and a reduction in fuel prices resulted in an underspend in fuel for financial year 2014/15 of £93k. A request to carry forward a proportion of this funding to 2015/16 was approved for the following:

- a) Decommissioning of the existing underground tanks;
- b) Provision of a new 45,000 litre above ground diesel storage tank;
- c) Associated pump and monitoring system;
- d) Installation and all ancillary works to the above.

The web based fuel monitoring system will enable the Council to accurately monitor the use of fuel, including vehicle efficiency and undertake fuel stock reconciliation as recommended in the audit report.

Due to the limited demand, the storage of petrol at the depot site will be ceased,

removing the current requirement to hold a certificate and have an annual inspection. Petrol will be obtained from other commercial providers.

The other submitted bids were:

Vectec £33,787

Merridale £30,219 plus civils work

B3 What are the contributions to Corporate Priorities?

The continual drive to improve efficiency and minimise costs in the Council's waste management operation contributes directly to the first corporate priority; Value for Money Council Services – Protecting Your Money.

B4 What are the Human Rights considerations?

There are no Human Rights issues arising from this decision.

B5 What are the financial implications?

The main financial issues arising from this decision are as follows:

Revenue	2015/16	2016/17	2017/18
Replacement Fuel Tanks, Pump and Monitoring System, including decommissioning of existing.	£32,455	---	---

Capital	2015/16	2016/17	2017/18

B6 Is the Decision wholly in accordance with the Council's policy framework?

Yes/~~No~~ (please delete as appropriate)

B6.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?

Yes/No (please delete as appropriate)

AND

B6.2 Has it got the appropriate approvals under those provisions?

Yes/No (please delete as appropriate)

B7 Is the Decision wholly in accordance with the Council's budget?

Yes/~~No~~ (please delete as appropriate)

B7.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?

Yes/No (please delete as appropriate)

AND

B7.2 Has it got the appropriate approvals under those provisions?

Yes/No (please delete as appropriate)

B8 What are the Equalities implications?

B8.1 The subject of this decision is not a policy, strategy, function or service that is

The questions contained in this questionnaire are not to be altered in any way. If you have any queries regarding the contents of this document, please contact Andrea Davies Ext 1306 or refer to Part 3 Section 6 of the Constitution.

new or being revised. An equality impact assessment is not required.

B9 What are the Risk Assessment implications?

B9.1 Positive (Opportunities/Benefits):

A replacement fuel tank would remove the risks associated with the deteriorating condition of the existing tanks. Should the tanks fail, it would create a significant problem with regard to service delivery and potential contamination of the local environment.

B9.2 Negative (Threats):

Should approval be given for replacement tanks, the risks associated with service continuity need to be controlled.

B9.3 The risks are referred to in the Grace system. Any financial implications to mitigate against these risks are considered above.

B10 What are the Legal Considerations?

B10.1 The main legal issues arising from this decision are as follows:

The storage of petrol is governed by the Petroleum (Consolidation) Regulations 2014 and the Dangerous Substances and Explosive Atmospheres Regulations 2002. The County Council will be required to authorise and sign off the decommissioning of the existing petrol tank.

B11 What are the Sustainability implications?

B11.1 The proposal [would/would not] result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures). The positive/negative impacts are set out below (*please refer to guidance notes*).

B11.2 Positive (Opportunities/Benefits):

Replacing the fuel tanks will reduce the risk of tank failure and increase the resilience of the service.

B11.3 Negative (Threats):

None

B12 What are the Health & Safety implications?

B12.1 A Risk Assessment has been carried out and entered into Harriet for all significant hazards and risks. The Council has a risk assessment in place for the Council depot, including the control of contractors. Suitable control measures are in place. The contractor will be required to submit a risk assessment and method statement as part of the works.

B12.2 Any financial implications to mitigate against these hazards and risks are considered above.

B13. Is this a Key Decision?

Yes/No (please delete as appropriate)

Note A Key Executive Decision is one where:

1. REVENUE – Any contract or proposal with an annual payment or saving of more than £100,000
2. CAPITAL – Any capital project with a value in excess of £150,000
3. A decision which significantly affects communities living or working in an area comprising two or more wards.

B13.1 If this is a Key Decision, is this an urgent decision such that a delay caused by use of the Call-in Procedure would seriously prejudice the public interest?

Yes/No (please delete as appropriate)

B13.2 If Yes, has the Mayor or in his/her absence the Deputy Mayor or in his/her absence the Chair of the relevant Scrutiny Committee agreed that the decision will be exempt from Call-in?

Yes/No (please delete as appropriate)

NOTE: If this decision is subject to the Call-in Procedure it will come into force, and may then be implemented, on the expiry of 3 working days after publication – unless 10 Members of the Council call in the decision.

Please send the original signed document to Andrea Davies, Democratic Services.