

Appendix A

Cabinet Member Leader of the County Council
Procurement Title Procurement for the provision of Apprenticeship Levy Training and Assessment Providers
Procurement Option Restricted (Invitation to Tender Stage) A pre-qualification stage has already been conducted by the Education and Skills Funding Agency (ESFA) in order to create an initial list of approved Training Providers (based upon specific selection criteria such as financial, economic and technical standing). The Invitation to Tender stage will be open to any provider that has been awarded a place upon the SFA's register.
New or Existing Provision New
Estimated Annual Contract Value and Funding Arrangements The projected annual contract value is approximately £3m per year. This contract value is dependent on the salary bill of LCC (including Local Authority schools where LCC is the employer) and may fluctuate, as the amount is determined on 0.5% of the current pay bill and deducted by HMRC via PAYE.
Contract Duration The Framework will be let for a period of 24 months, with an option to extend the contract beyond the initial term to a maximum of a further 24 months.
Lotting Associated relevant apprentice qualifications will be procured in relation to the area of training specialism, and will deliver key areas for development within Lancashire County Council and Schools, including but not limited to the training requirements listed below: <ul style="list-style-type: none">• Adults Social Care• Childrens Social Care• Information Technology• Highways/Engineering• Leadership and Management• Business Administration• Legal/Procurement• Schools Support Staff• Business Improvement• Finance <p>The County Council will be seeking organisations that are able to work with us in order to develop the apprenticeship framework and the training requirements throughout the contract term.</p>

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Cabinet Member

Leader of the Council

Evaluation

Quality Criteria 70%

Financial Criteria 30%

Social Value will account for 10% of the evaluation criteria on the basis that the contract will be delivered County wide.

Contract Detail

The Apprenticeship Levy will be a levy on UK employers to fund new apprenticeships. In England, control of apprenticeship funding will be put in the hands of employers through the Digital (Account) Apprenticeship Service. The levy will be charged at a rate of 0.5% of an employer's pay bill. The Levy arrangements were introduced in April 2017 (when HMRC took the first monthly payment via PAYE schemes). The training funds will be available to spend from approximately 22nd May 2017.

Through the Digital Account the training fund and procurement of training providers will be managed by the County Council's Learning & Development team. The Digital Account will record the details of all apprentices and their apprentice training and record the financial transactions within the account.

To be eligible to deliver apprenticeship training for apprenticeships that start on 1 May 2017, or after, training organisations must be listed on the Education and Skills Funding Agency's register of apprenticeship training providers.

The ESFA's register of apprenticeship training providers has been created following on from a Pre-Qualification stage conducted by the ESFA in 2016. It has been acknowledged by the County Council, that in order to ensure compliance with the Procurement Contract Regulations 2015, that an Invitation to Tender stage should be completed (this will be restricted to those organisations awarded a place on the register following successful completion of the PQQ) in order to select the training providers that will deliver the requirements of the County Council.

The procurement will involve procuring for apprentice qualification (standard or framework) training providers and the procurement for the end point (independent) assessment requirements.

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Procurement Title Procurement for the Supply of Liquid Fuels		
Procurement Option Call off contract from Crown Commercial Service (CCS) National Fuels Framework RM3801		
New or Existing Provision Existing		
Estimated Annual Contract Value and Funding Arrangements £1,328,000* consisting of approximately: £1,170,000 Lancashire County Council. £131,000 Global Renewables Lancashire (Operations) Limited. £27,000 Lancashire Schools. Funding will continue to be met by service operational budgets. *Please note: The delivered price of liquid fuels is very susceptible to changes in the oil commodity market as the commodity element makes up a large proportion of the delivered price. Therefore any changes to the commodity price will have a large impact on contract value.		
Contract Duration The contract will be let for an initial period of 2 years (October 2017 to September 2019), with the option to undertake a further competition at the latter end of the initial term for a further two year contract (October 2019 to September 2021).		
Lotting The CCS National Fuels Framework is lotted regionally and nationally, with the County Council accessing the lot for the North West region. At fuel level, the contract will be lotted for both Vehicle Fuel and Heating Oils.		
Evaluation <table border="1" data-bbox="193 1368 1002 1424"><tr><td>Quality Criteria 0%</td><td>Financial Criteria 100%</td></tr></table> The Crown Commercial Service will undertake further competitions on the County Council's behalf between suppliers awarded to the framework, by the means of a reverse e-auction which will be based on lowest supply margin.	Quality Criteria 0%	Financial Criteria 100%
Quality Criteria 0%	Financial Criteria 100%	

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Contract Detail

The Liquid Fuels contracts supply the County Council with the following fuels:

Heating Oils:

Gas Oil Class A2 (BS2869:2010)

A standard gas oil which can be used for all inland applications (e.g. site and plant vehicles such as tractors, bulldozers).

Kerosene class C2 (BS2869:2010)

C2, is used for heating oil in central heating systems. It does not carry duty in the UK, and so is cheaper than gas oil.

Ultra 35 (blended to meet BS2869:2010 Class D)

An alternative for heating oil but cannot be used in combustion engines.

County Council sites that purchase heating oil include highway depots, outdoor education centres, museums, libraries and care homes. Some schools sites as well as Global Renewables Lancashire (Operations) Ltd (GRLLO) also purchase heating oils.

Vehicle fuels:

Biodiesel (EN14214 or equivalent)

Used for road vehicles. Highway depots are the only purchasers of vehicle fuel.

The current liquid fuels contracts expire on the 30th September 2017. The contracts require re-procuring so that buildings can continue to be heated, and vehicles and plant remain operational.

It is proposed that the CCS National Fuels Framework is utilised to procure two year contracts (October 2017 to September 2019) for both types of fuel, with the option to repeat the exercise in order to award a contract for a further two years (October 2019 to September 2021) in line with the framework guidelines.

CCS fuel frameworks have successfully been used for these contracts for the previous four years with minimal complaints or issues over service quality.

Fuel prices from the CCS framework are made up of four elements:

- Commodity price of the fuel
- Duty
- Supplier Margin
- CCS Management Charge

Supplier margin and CCS management charge are fixed for the duration of the contract. The current CCS management charge of 0.15 pence per litre will be increasing to 0.20 pence per litre from the start of the new framework, increasing estimated current costs by £800 per

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annum. The supplier margin will be determined by the further competition and covers supply costs, distribution costs, cost of credit, overheads, and profit.

The commodity price of the fuel is set by CCS using a weekly lagged price calculated in conjunction with the Platts Index, an independent provider of information and benchmark prices for the commodities and energy markets.

The CCS framework provides an OJEU compliant route to contracting with suppliers. Benefits of using the framework include:

- accessing established terms and conditions,
- CCS undertaking the further competition on the Council's behalf (thus saving procurement administration time),
- a lotted structure that provides access to regional and national suppliers,
- contract management undertaken by CCS, including monitoring KPIs, and clear and transparent pricing.

As part of the further competition, separate lines will be included for Global Renewables Lancashire (Operations) Limited (GRLOL) sites and approximately 25 Lancashire School sites who have expressed an interest in accessing the framework following communication via the Schools Portal.

Savings achievable in this category of spend are limited due to the unpredictability of the commodity cost. CCS claim an approved methodology of using the index-linked Platts to set weekly commodity prices against fixing them over a 12 month term achieves an approximate 3.5% saving. The methodology centres upon a weighted average risk premium that suppliers would typically apply if prices were to be fixed for a year to protect themselves against the risk of commodity prices rising during the contract term.