

Standard Operating Procedures (SOPs) Fuel Provision Services

March 2018

OVERVIEW

This document provides an overview of the fuel services provided by WFP, how humanitarian actors responding to the crisis in the Republic of Yemen may access these services through the Logistics Cluster, and the conditions under which these services are to be provided.

The objective of these services is to enable humanitarian organisations to establish an uninterrupted supply chain that supports the delivery of humanitarian relief items to the affected population. These services are not intended to replace the logistics capacities of responding organisations, nor are they meant to compete with the commercial market. Rather, they are intended to fill identified gaps and provide a last resort option in case other service providers are not available.

These services are planned to be available until 31 December 2018, with the possibility of further extension. The services may be withdrawn before this date in part or in full, for any of the following reasons:

- Changes in the situation on the ground
- No longer an agreed upon/identified need
- Funding constraints

This document will be updated, and services provided may change as the situation evolves and operational requirements develop. Updated versions will be shared on the Yemen operations page (<http://logcluster.org/ops/yem10a>) and shared via the mailing list.

KEY NOTES TO USERS

- I. Only UN Agencies, International Humanitarian Organisations, and International or National Non-Governmental Organisations (NGOs) operating in the Republic of Yemen are eligible to use these services (hereafter referred to as “service users”).
- II. Any communications, requests, and **all documentation** related to this service should be sent to: co_yem_fuel@wfp.org
- III. Organisations wishing to use the service **must sign a Service Level Agreement** (SLA) with WFP in order to be eligible to receive fuel through this service.
- IV. **Fuel storage capacity is limited.** Service users must collect their fuel as quickly as possible to ensure sufficient storage space is available to accommodate re-supply. Limitations on available storage space will restrict the capacity to procure additional fuel and will limit the quantity of fuel available for subsequent allocation.
- V. WFP will make every effort to procure and make available a sufficient quantity of fuel to meet the needs of the services users; however, due to the context WFP is unable to guarantee the quantity of fuel that will actually be made available.
- VI. WFP assumes no responsibility for fuel that is lost while in storage.

FUEL PROVISION SERVICES

The Logistics Cluster will facilitate access to the following fuel provision services:

- Distribution of fuel (diesel and petrol) **on a cost recovery basis** – based on monthly requirements and subject to operational constraints (i.e. access, availability, storage):
 - Distribution to take place according to the established Allocation Plan(s);
 - Distribution to take place from dedicated fuel stations in Aden, Hodeidah and Sana'a.

HOW TO ACCESS THE SERVICES

- Any eligible organisation (see “Limitations and Conditions of Service” below) wishing to become a service user must first submit an official **Letter of Request (LoR)**.
 - The LoR should provide an overview of the organisations activities in Yemen
 - The LoR must be signed by the designated Head of the Organisation in Yemen (or a representative with sufficient delegated authority)
- Any eligible organisation (see “Limitations and Conditions of Service” below) wishing to become a service user must sign a **Service Level Agreement (SLA)** with WFP:
 - The details of the SLA must be agreed bilaterally between the organisation and WFP Country Office;
 - The SLA must include a completed Focal Point Assignment Form (Annex 1 of the SLA);
 - The SLA must be signed by the designated Head of the Organisation in Yemen (or a representative with sufficient delegated authority);
 - The completed, signed SLA must be returned to the WFP Country Office to be co-signed by the WFP Country Director.
- Once the SLA is completed, the service user must inform the Logistics Cluster of their estimated monthly fuel requirement (petrol and diesel) for each location by completing the **Indicative Monthly Fuel Requisition Form**.
 - The form must be submitted before the fuel requirements for the organisation may be considered as part of any procurement action, or subsequent allocation plan;
 - It is the responsibility of the service user to update and re-submit the form to the Logistics Cluster if and when the fuel requirements for the organisation change.
- Based on the signed SLAs, Indicative Monthly Fuel Requisition Forms, available storage, operational constraints, and commercial availability of fuel, WFP will procure a quantity of fuel to meet the estimated needs of the service users in a given timeframe.
 - WFP will make every effort to procure and make available a sufficient quantity of fuel to meet the needs of the services users; however, due to the context, WFP is unable to guarantee the quantity of fuel that will actually be made available

NOTE: For these SOPs, whenever reference is made to the “total quantity of fuel procured”, this indicates only fuel that has been specifically procured by WFP to meet the needs of the services users in Yemen.

- For each procurement of fuel, WFP will issue to each relevant service user (i.e. organisations that have an unmet need for fuel in the corresponding location) a **Pro Forma Invoice (PFI)** (annex 2 of the SLA) that will:

- State the period of time (applied to procurement, not distribution) to be covered by the PFI;
- State maximum quantity of fuel to be allocated, by location, to the service user;
- Provide an indicative price (see “Cost of Fuel” below) for the fuel to be allocated to the service user.
- Service users must return the signed and stamped PFI to WFP Country Office.
- As the fuel arrives at the distribution locations the Logistics Cluster will develop and share with each relevant service user (i.e. organisations that have returned the signed and stamped PFI) the fuel allocation plan (see “Allocation Plan” below) for that location, for that shipment that will confirm:
 - The total quantity of fuel allocated to the service user per location;
 - The actual cost to be paid by the service user for fuel provided under the Allocation Plan.
- The Service user must proceed with the payment according to the terms outlined in the SLA, and for the amount stated on the Allocation Plan.
- Once confirmation of payment is received WFP Country Office will issue a Fuel Release Order Form to the service user through the Logistics Cluster, detailing the total amount of fuel allocated to the service user per location.
- To collect allocated fuel from any of the locations, the service user focal point must provide to the Fuel Storekeeper at the location with:
 - The corresponding signed Fuel Release Order Form;
 - An ID card (in line with details provided in the Focal Point Assignment Form).

NOTE: Fuel may be collected by the service user focal point in multiple instalments, however a minimum of 200 litres per instalment must be collected. The entire amount indicated in the PFI must be collected within maximum two weeks from the approval of the Fuel Release Order.

- The Fuel Storekeeper at the location will issue the service user Focal Point a **Goods Receipt Note (GRN)**, at the time the fuel is collected, confirming the quantity distributed from that location at that time.
- The Logistics Cluster will monitor the total quantity allocated per service user per location, and the actual quantity distributed per Service User per location

ALLOCATION PLAN

Due to the nature and complexity of the context, the Logistics Cluster is unable to guarantee the quantity of fuel that will be made available:

- WFP will make every effort to procure the quantity fuel required by humanitarian organisations to support the delivery of relief items to the affected population.
- Any quantity of fuel listed on the PFI only represents the maximum amount of fuel to be made available to a service user (for the corresponding procurement action); if WFP is unable, due to operational limitations (e.g. insecurity or lack of access), to position sufficient stock to meet the expected needs in a given location the actual quantity of fuel allocated may be less than the quantity indicated on the PFI.
- For each procurement of fuel the Logistics Cluster will determine the **maximum quantity** of fuel to be allocated to each service user per location (***the quantity that will appear on the PFI***) by:

- Establishing the relative requirement for each service user at each location for the timeframe to be covered
- Applying the resulting percentage to the total quantity of fuel under procurement for each location

NOTE: The calculation of the requirement for each service user at each location may be adjusted to account for any uncollected fuel that remains in storage at a given location for the corresponding service user.

- For each shipment of fuel that arrives at a location the Logistics Cluster will determine the **actual quantity** of fuel to be allocated to each service user (***the quantity that will appear on the Allocation Plan and the Fuel Release Order Form***) from that shipment, as following:
 - If WFP receives the total quantity of fuel procured for a given location in a single shipment/batch, the actual quantity of fuel will be allocated in accordance with the quantity indicated in the relevant PFIs;
 - If WFP receives the total quantity of fuel procured for a given location in multiple shipments/batches, the actual quantity of fuel will be allocated as percentage of the quantity of fuel received at a given location against the total quantity of fuel procured for that location.

NOTE: In the event fuel is received in multiple shipments/batches the Logistics Cluster will create an allocation plan and will issue separate GRNs for each service user, for each location, for each shipment/batch.

COST OF FUEL

Due to variations in the market price of fuel, fluctuations in the currency exchange rates, and the time lapse between WFP issuing the PFI (at the time of procurement) and the service user making a payment (upon arrival of the fuel at the distribution location) the cost of the fuel will vary.

- The indicative cost of the fuel may vary from one PFI to another and is based on the cost of the fuel WFP will procure from suppliers (converted if necessary into USD at official UN exchange rate at the time of procurement).
- The actual cost of the fuel (shown on the allocation plan) may vary from the indicative cost of the fuel (shown on the corresponding PFI), and is based on the actual cost of providing the service (converted if necessary into USD at the UN exchange rate at that time of disbursement).

LIMITATIONS AND CONDITIONS OF SERVICES

- Only UN Agencies, International Humanitarian Organisations (i.e. IOM, IFRC, etc.), and International or National Non-Governmental Organisations (NGOs) operating in Yemen are eligible to use this service.
- WFP Fuel Storekeepers will monitor the quality of fuel held in storage at each distribution location, and WFP Procurement will make appropriate arrangements with suppliers to ensure the quality of fuel provided. Any issues with fuel quality should be reported to the Logistics Cluster Coordinator.
- Storage of fuel will result in losses due to evaporation (i.e. breathing/working/standing storage losses); therefore the quantity of fuel from each Allocation Plan that remains available for distribution to each service user will diminish over time. To balance these operational losses the Logistics Cluster will apply the following measures:
 - Service users have 14 days to collect the total actual quantity of fuel allocated to them under a given Allocation Plan, as indicated on the corresponding GRN, as it prevents the Logistics Cluster to replenish its stocks thus penalising other organisations.

- Any quantity of allocated fuel that remains in storage for longer than 30 days will be reduced by 1% every 30 days until the entire quantity has been collected by the service user or lost to evaporation.
- Service users will be regularly notified by the Logistics Cluster of the status of any fuel they have in storage.
- WFP assumes no responsibility for storage or transportation and/or any loss or damage to the goods carried. WFP undertakes the provision of services in good faith and will ensure that the services are carried out with due diligence.

