



## Fuel Provision Services Standard Operating Procedures (SOPs)

This document provides an overview of the fuel provision services established by the Logistics Cluster for the humanitarian community in response to the widespread fuel shortages experienced in Yemen from mid-2011 onwards.

The objective of the Logistics Cluster is to provide - in an efficient and coordinated manner - assets, facilities, services and staff, to ensure an uninterrupted supply chain of relief items to the affected population.

These services are not intended to replace the logistics capacities of the organisations but rather supplement them through the provision of common services. Furthermore, these services are not intended to compete with the commercial fuel market, but to fill identified gaps.

These services are offered for a limited period of time until the end of December 2013, and may be withdrawn before this date, in part or in full, for the following reasons:

- Changes in the situation on the ground.
- No longer a perceived need for prioritisation, facilitation or/and coordination.
- Funding constraints.

*This document will be regularly updated as the situation evolves and operational requirements develop. Please check for updates at <http://www.logcluster.org/ops/yem10a>*

### **(1) LOGISTICS CLUSTER SERVICE PROVIDED**

- Collation of the monthly fuel requirements of participating humanitarian organisations.
- Purchase of the required amount of fuel on a regular/monthly basis.
- Distribution of fuel to participating humanitarian organisations on a cost recovery basis.
- Distribution to take place from dedicated fuel stations in Sana'a, Aden & Haradh.

### **(2) WHO CAN USE THESE SERVICES**

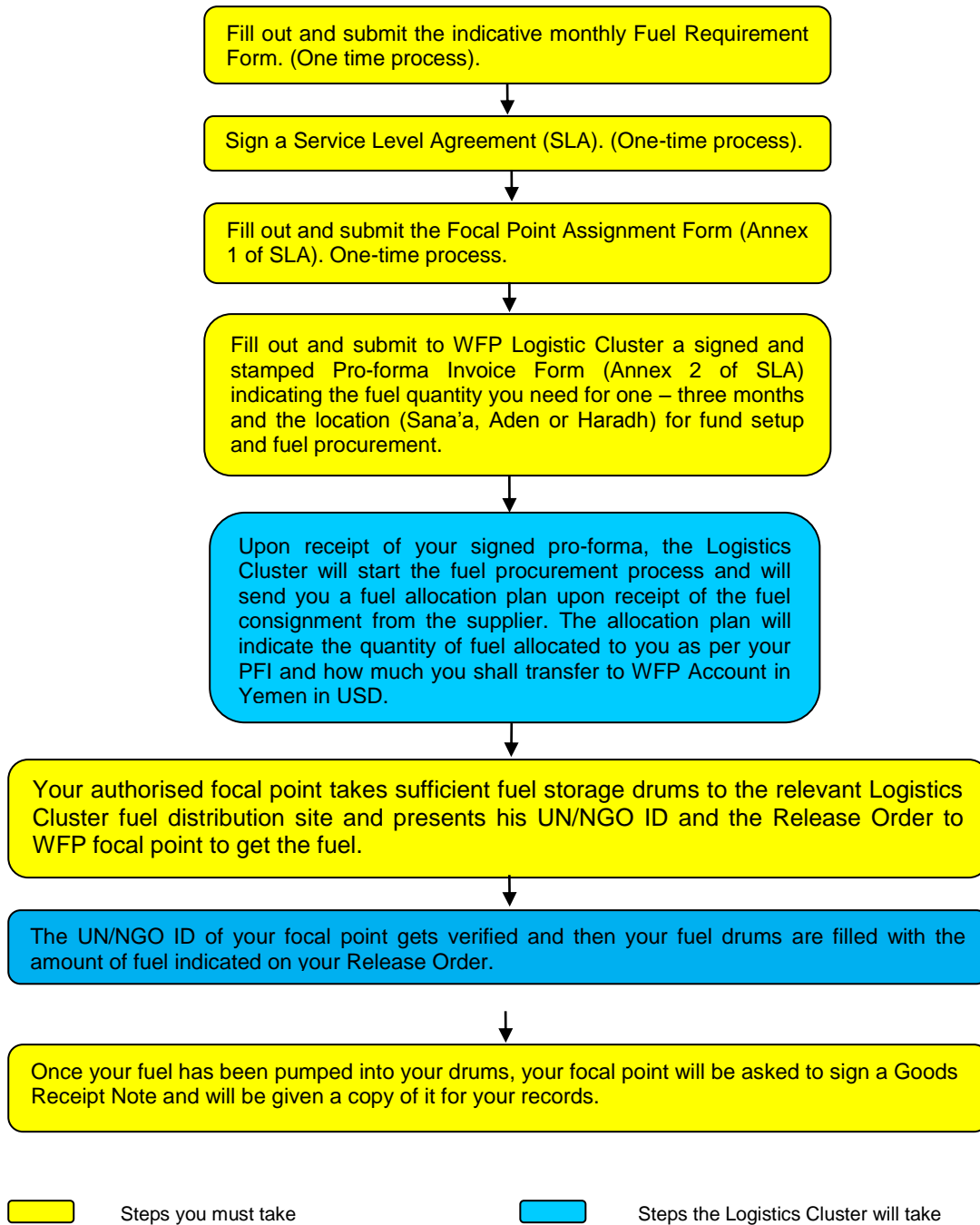
- UN agencies and international NGOs operating in Yemen can participate in the fuel provision service. This service is not extended to national NGOs or non-humanitarian bodies.

### **(3) HOW TO REQUEST AND RECEIVE THESE SERVICES**

- a. The organisation must first submit an indicative monthly operational fuel requirement for both petrol and diesel to the Logistics Cluster (by filling out the Indicative Monthly Fuel Requisition Form). This is a one-time process to estimate the fund requirement for the fuel storage setup.
- b. The organisation shall sign a Service Level Agreement (SLA) with WFP. This is a one-time process and covers the non-operational aspects of all fuel provision services the agencies utilise for a set period (currently until the end of December 2013). It is signed by the Head of said Organisation.

- c. The organisation should provide the Logistics Cluster with a completed Focal Point Assignment Form (Annex 1 of the SLA) which details the names, specimen signatures, contact details, and ID numbers of those focal points who are authorised to collect fuel allocations. This is a one-time process.
- d. The organisation to submit a signed and stamped Pro Forma Invoice (PFI, Annex 2 of the SLA) indicating the quantity of fuel required from one to three months period and specifies the locations (Sana'a, Aden or Haradh).
- e. The Logistics Cluster will send the fuel allocation plan based on the PFI and available fuel stock to the agencies, detailing the quantity per locations and total amount to be paid.
- f. Once the fuel payment has been processed / received by WFP, a fuel release order will be issued by Logistics Cluster that details the amount of fuel organization can collect.
- g. The organisation can collect the allocated fuel in several instalments with the minimum of 100 litres.
- h. Logistics Cluster will facilitate to provide empty drums (200 litres capacity) for a temporary period of one month that organization shall return back.
- i. The organisation focal point should contact Logistics Cluster fuel storekeeper and collect the fuel by submitting the release order form. They should also take their UN/INGO ID with them as this will be checked against the details you provided in your Focal Point Assignment Form.
- j. Upon receipt of the Release Order the Logistics Cluster fuel storekeeper starts the fuel distribution process and will issue the Goods Receipt note (GRN) confirming the distribution of the fuel.
- k. The organisation should collect their fuel as quickly as possible to free up the storage space in WFP fuel tanks in order to allow quick resupply. If fuel sits in the tanks uncollected for a long period of time, it will prevent the resupply of sufficient fuel for the next month.

A simplified summary of the above steps is given in the flow chart below:



#### (4) ALLOCATION OF AVAILABLE FUEL

All efforts are made to secure 100% of the consolidated fuel requirements of those UN agencies and international NGOs who have signed SLAs. However, due to the nature of the crisis in Yemen, it is likely that less than 100% of the required amount of fuel will be available for distribution by the Logistics Cluster. As such, a clear system of allocation is required:

- The Logistics Cluster, through WFP, will make every effort to purchase 100% of the fuel required.
- Fuel will be bought in one batch or batches from suppliers whenever available.
- For each batch that is received, the Logistics Cluster will allocate a percentage of the fuel to each organisation that has signed SLA with WFP.
- The fuel percentage allocated to each organisation will be equal to the quantity indicated in their pro-forma invoice if WFP Logistic Cluster received all the fuel required in one consignment. If WFP received the fuel consignment in batches, the organisations will be allocated an equal percentage of their full fuel requirement based on the pro-forma invoice they submitted.

#### (5) COST OF FUEL

Depending on the supplier, the state of the market, and other variables, the cost of each batch of fuel may differ. It is important to avoid that some organisations receive fuel at a low price and others at a higher price. Therefore the practice of sharing each batch of fuel amongst all organisations will ensure that price fluctuations are shared equally by all participating organisations.

**An organisation must purchase its allotment from the first batch of fuel before it can purchase its allotment from a subsequent batch.** This is to prevent cases of an organisation agreeing to purchase its allotments from cheap batches while refusing to purchase higher priced batches. This will further ensure that price fluctuations are shared equally by all organisations.

The Logistics Cluster will of course make every effort to maximise the amount of cheap fuel it procures, and minimise the amount of higher price fuel bought. Higher price fuel is procured only in order to fill gaps in the supply of cheap fuel.

The cost of the fuel charged to organisations in their pro-forma invoices will include the cost of fuel delivery from source/place of importation to the relevant Logistics Cluster fuel distribution site.

In addition to the above, a 4.5% management fee will be charged as per corporate WFP policy. This is because, while the Logistics Cluster is managing the distribution of the fuel to organisations, the actual purchase of the fuel from suppliers is being pre-financed by WFP.

## **(6) FUEL DISTRIBUTION SITES CAPACITY**

The Logistics Cluster has established three fuel distribution systems:

**Sana'a:** 180,000L fuel storage capacity (Diesel: 120,000L - Petrol: 60,000L).

**Aden:** 92,000L fuel storage capacity (Diesel: 46,000L - Petrol: 46,000L).

**Haradh:** 92,000L fuel storage capacity (Diesel: 46,000L - Petrol: 46,000L).

## **(7) BASIC PROCEDURES RELATED TO HANDLING FUEL**

- When you come to collect your fuel you must turn off your vehicle's engine while the pumping of fuel takes place.
- It is forbidden to smoke, light matches, or use lighters within the Logistics Cluster fuel distribution sites.
- It is forbidden to use electrical devices such as cell phones and computers while the pumping of fuel takes place.
- All people must be out of a vehicle when it is being refuelled.
- You should ensure that the fuel drums/tanks which you bring to collect your fuel in are in good condition, have working seals, and are safely loaded on your transport.
- Only one vehicle, which is carrying the drums/ barrels, is allowed to enter the fuel station area and it is not allowed to fuel the organization's car directly but to use either drums/ barrels.

## **(8) POINTS OF CONTACT**

### **1) Sana'a Country Office:**

The point of contact for all enquiries related to this service is:

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The alternate point of contact is:

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