



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: August 22, 2016
Report Number: FAF.16.81
Subject: Fuel Contract Extension– Wayne Bird Fuels
Prepared by: Serena Wilgress, Manager of Purchasing & Risk Management on behalf of the Tender/Proposal Award Committee

A. Recommendations

THAT Council receive Staff Report FAF.16.81, entitled “Fuel Contract Extension – Wayne Bird Fuels”; and

THAT Council authorize the extension of the contract for the Supply and Delivery of the Town’s Fuel to Wayne Bird Fuels at a price of \$0.0300/litre above the Daily Rack Price for Furnace Oil and \$0.0135/litre above the Daily Rack Price for various fuel products, excluding Federal Excise Tax (FET), Provincial Fuel Tax (PFT) and HST, for a contract period of one year commencing August 1, 2016; and,

FURTHER THAT Council authorize the Mayor and Clerk to execute the appropriate contract agreement as approved by the Town’s Solicitor.

B. Overview

Wayne Bird Fuels has indicated that there is no change to their “above the Daily Rack Price” for furnace oil and other various fuel products.

C. Background

In 2014, the Town participated in Grey County’s Fuel Tender. The Tender included a provision to extend the contract for two additional one year terms. This is the first of the potential one year extensions.

Wayne Bird Fuels is holding the rate. In 2014, fuel prices had risen over the previous tender term. Since then, there has been a significant drop in the Daily Rack Price. The Town should realize some savings in fuel costs over the term of the contract, provided the rates do not jump again.

D. Analysis

Extending the contract at the tendered daily above rack price will result in the Town having fuel to run equipment and vehicles and heat buildings.

E. The Blue Mountains' Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

Town vehicles and equipment do produce emissions. The Town will work towards reducing its carbon footprint by purchasing more fuel efficient equipment when items are due to be replaced.

G. Financial Impact

The award for fuel products is inclusive of all Town equipment and facilities, funded from various sources including taxation, user fees and user rates. The 2016 budget has a combined amount of \$357,395 for fuel and furnace oil. All of the high octane fuel purchased by the Harbour is recouped through the sale of this fuel product.

H. In consultation with

Debbie Brown, Budget Analyst
Sam Dinsmore, Deputy Treasurer / Manager of Accounting and Budgets

I. Attached

None

Respectfully submitted,

Troy Speck
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