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STAFF REPORT: Finance & IT Services



REPORT TO: Council
MEETING DATE: August 26, 2013
REPORT NO.: FIT.13.44
SUBJECT: Final Contract Extension for the Supply and Delivery of Various Fuel Products (RFT-TAPS-20-2010)
 Serena Wilgress, Manager of Purchasing & Risk Management on behalf of the Tender Proposal Award Committee
PREPARED BY:

A. Recommendations

THAT Council receive Staff Report FIT.13.44 “Contract Extension for the Supply and Delivery of Various Fuel Products (RFT-TAPS-20-2010)”; and,

THAT Council authorize the contract extension with Wayne Bird Fuels until July 31, 2014 at the rates as tendered in 2010 of \$0.0275/litre above the Daily Rack Price for various fuel products and \$0.0500/litre above the Daily Rack Price for furnace oil; and

FURTHER THAT Council authorize the Mayor and Clerk to execute the appropriate contract agreement.

B. Background

The Blue Mountains has joined Grey County in their bi-annual Tender for Fuel Products since 2005 and subsequently entered into contracts for delivery of various fuel products to designated Town locations. The various fuel products include: Clear and Dyed Diesel and Regular and Midgrade Unleaded.

Contract Pricing History:

2005 – Imperial Oil, contract price was \$0.005/litre above the Daily Rack Price for various fuel products

2008 – Wayne Bird Fuels, contract price was \$0.0350/litre above the Daily Rack Price for various fuel products

2010 – Wayne Bird Fuels, contract price was \$0.0275/litre above the Daily Rack Price for various fuel products

The chart below details the consumption history for the various types of fuel purchased for the Town during the last 2 years of the contract with Wayne Bird Fuels.

Approximate Consumption History (in Litres):

Fuel Type	2011	2012
Gas (Unleaded, Midgrade etc)	145,843	148,180
All Diesels (Dyed and Sulphur)	125,310	144,575
Furnace Oil	26,542	19,675

The Tender Proposal Award Committee's recommendation is to extend the fuel contract with Wayne Bird Fuels until July 31, 2014 for the supply and delivery of various fuel products at the tendered rate of \$0.0275/litre above the Daily Rack Price for various fuel products and \$0.0500/litre above the Daily Rack Price for furnace oil. Federal Excise Tax (FET), Provincial Fuel Tax (PFT) and Harmonized Sales Tax (HST) are not included in the supply and delivery charges stated in this report.

Grey County will be retendering this contract in Spring 2014. Staff will report back to Council following the award.

C. The Blue Mountains' Strategic Plan

Providing a strong, well managed municipal government

D. Environmental Impacts

Fuel is a fossil fuel and through the consumption and combustion of it, greenhouse gases are emitted.

E. Financial Impact

The recommended tender price for delivery has remained the same since 2010.

The Town's Corporate Budget for fuel in 2013 is \$232,500. This budget figure includes all products, across all departments including the fuel for resale at the Harbour.

F. In Consultation With

G. Attached

1. FIS.10.40 Award of Tender for the Supply & Delivery of Various Fuel Products – June 8, 2010

Respectfully submitted,

Serena Wilgress
Manager of Purchasing & Risk Management

Troy Speck, CAO

Robert Cummings, CMA
Director of Finance & IT Services

For more information, please contact:

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STAFF REPORT: Financial and Information Services



REPORT TO: Infrastructure and Recreation
MEETING DATE: June 8, 2010
REPORT NO.: FIS.10.40
SUBJECT: Award of Tender for the Supply and Delivery of Various Fuel Products RFT-TAPS-20-2010
PREPARED BY: Sherri Adams, Manager of Purchasing

A. Recommendations

THAT Council receive Staff Report FIS.10.40 "Award of Tender for the Supply and Delivery of Various Fuel Products RFT-TAPS-20-2010"; and,

THAT Council authorize the award of the Tender for the Supply and Delivery of the Town's Fuel to Wayne Bird Fuels at a price of \$0.0500/litre above the Daily Rack Price for Furnace Oil and \$0.0275/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 two years commencing August 1, 2010; and,

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

B. Background

In 2005 and 2008, The Blue Mountains joined Grey County in their bi-annual Tender for Fuel Products and subsequently entered into contracts to deliver various fuel products to designated Town locations. The various fuel products include: Clear and Dyed Diesel and Regular and Midgrade Unleaded. Contract award and pricing details were as follows:

2005 – Imperial Oil, contract price was \$0.005/litre above the Daily Rack Price for various fuel products

2008 – Wayne Bird Fuels, contract price was \$0.0350/litre above the Daily Rack Price for various fuel products

The Town has again joined the County in the 2010 Tender for Fuel Products. The Town's total fuel consumption for 2009 was 287,200 litres of various fuel products and 31,451 litres of furnace oil for all departments.

Grey County issued the Tender on Thursday, May 6, 2010 and it closed on Thursday, May 27, 2010. Submissions were opened by the County with the Town's Manager of Purchasing and bidders in attendance at a public opening immediately following the

closing. Results received for the Town's portion of the County Tender identified as "Schedule G", and based on the Town's 2009 consumption are as follows:

	A	B	C	D
Bidder	Total Extended Price (incl. All taxes)	Corrected Total Extended Price (incl. all taxes)	Various Fuels Delivery Cost over Rack Price / litre	Furnace Fuel Delivery Cost over Rack Price / litre
MacDonnell	No bid	No bid		
Wayne Bird Fuels	\$305,817.55	\$305,816.75	\$0.0275	\$0.0500
Imperial Oil	\$317,982.17	\$317,982.17	\$0.0640	\$0.0590
FS Partners	\$201,438.24	\$310,958.36	\$0.0440	\$0.0440

Columns A & B include taxes of Federal Excise Tax (FET), Provincial Fuel Tax (PFT) and Harmonized Sales Tax (HST)

Columns C & D do not include the above noted taxes.

The Tender Proposal Award Committee's recommendation is to award the two year contract for the Supply and Delivery of Various Fuel Products RFT-TAPS-20-2010 to Wayne Bird Fuels, who is the lowest responsive and responsible bidder at a cost for delivery over the Daily Rack Price of \$0.0275/litre for various fuel products and \$0.0500/litre for furnace oil, commencing August 1, 2010, replacing the current contract prices.

C. The Blue Mountains' Strategic Plan

Goal #6 – Providing a strong, well managed municipal government

D. Environmental Impacts

These are the Town's normal business practices. In the future, more energy efficient vehicles and the use of bio fuels will reduce air quality emissions.

E. Budget Impact

The recommended tender price for delivery has decreased by \$0.0075 / litre over the current contract of \$0.0350 / litre. At the time of the 2008 contract award, fuel prices had escalated significantly, as described in Staff Report FS.08.32.

The Town's Corporate Budget for fuel in 2010 is \$268,895 (including all products). Estimates for fuel for the 2010 budget did not include the non-rebatable portion of the HST as legislation for this blended tax had not transpired at that time. The rebatable portion of the HST on the Total Extended Price for this contract is \$31,166.16. The corporate fuel expense is calculated to be \$274,650.60 (\$305,816.75-\$31,166.16).

F. Attached

1. Wayne Bird's Tender Submission

Respectfully submitted by the Tender Proposal Award Committee,

Paul Graham
CAO

Reg Russwurm
Director of Engineering
and Public Works

Sherri Adams
Manager of Purchasing

For more information, please contact:

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SCHEDULE OF ITEMS AND PRICES continued

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Item	Daily OPIS Average Rack Price as posted for April 28, 2010 Per Litre	Delivery Cost Above Daily OPIS Rack Price Per Litre	Federal Excise Tax (FET) Per Litre	Provincial Fuel Tax (PFT) Per Litre	Unit Price Subtotal [A+B+C+D]	Quantity Litres	Subtotal [E * F]	HST [13% * G]	Total Extended Price [G+H]
SCHEDULE G – THE TOWN OF THE BLUE MOUNTAINS									
Diesel Dyed	\$0.657	\$.0275	\$ 0.04	Not applicable	\$.7245	71,619	\$ 51888	\$ 6745 ⁴⁴	\$ 58633.44
Diesel Clear	\$0.657	\$.0275	\$ 0.04	\$ 0.143	\$.8675	67,919	\$ 58920	\$ 7659 ⁶⁰	\$ 66579.60
Gasoline Regular Unleaded	\$0.648	\$.0275	\$ 0.1	\$ 0.147	\$.9225	103,320	\$ 95313	\$ 12396 ⁶⁹	\$ 107703.69
Gasoline Midgrade Unleaded	\$0.6825	\$.0275	\$ 0.1	\$ 0.147	\$.9570	44,342	\$ 42435	\$ 5516 ⁵⁵	\$ 47951.55
Seasonal Furnace Oil	\$0.652	\$.0500	Not applicable	Not applicable	\$.7020	31,451	\$ 22079	\$ 2870 ²⁷	\$ 24949.27
Grand Total Schedule G (taxes included)									\$ 305817.55