

To:	Warden Halliday and Members of Grey County Council
Committee Date:	May 24, 2018
Subject / Report No:	TR-CW-32-18
Title:	Award of RFT-TS-10-18 Fuel
Prepared by:	Graham Wilson, Maintenance Manager Sharon Melville, Buyer
Reviewed by:	Pat Hoy, Director of Transportation Services
Lower Tier(s) Affected:	City of Owen Sound, Town of The Blue Mountains, Township of Southgate, Township of Georgian Bluffs
Status:	Recommendation adopted by Committee as presented as per Resolution CW139-18 on May 24, 2018; Endorsed by County Council on June 14, 2018 per Resolution CC57-18.

Recommendation

1. That Report TR-CW-32-18 containing the tender results for RFT-TS-10-18 be received; and
2. That RFT-TS-10-18 be awarded to McDougall Energy, for Schedules A, B, C, D, E, and F, at the estimated annual total tender price of \$652,034.18; and
3. That each participating member municipality will award their respective schedule(s) for fuel in accordance with their own by-laws.

Executive Summary

The County has fuel tanks located at the Chatsworth, Clarksburg, Ayton, Dundalk and Flesherton patrols, as well as the County Administration Building. A tender to supply and deliver fuel to these locations was posted on the County of Grey's website from Thursday April 5, 2018 to Thursday May 3, 2018.

The majority of fuel is used to power the Transportation Services Department's equipment and vehicles; however other departments such as Paramedic Services and Social Services also utilize the fuel.

It is recommended that McDougall Energy be awarded RFT-TS-10-18 for the estimated annual amount of \$652,034.18.

Background and Discussion

The fuel costs in this tender are based on a variety of different factors, including the daily fuel index price per litre, all applicable federal and provincial taxes, delivery costs per litre, and HST. In order to provide a consistent evaluation of all bidders, the fuel index price per litre for April 3, 2018 was used as a benchmark for costs.

Each bidder was asked to provide a delivery cost per litre of fuel for each location and type of fuel as all other values were fixed. As a result, the winning bidder for each schedule is based on the lowest delivery costs for the fuel.

The tender is for a three year period, with options to extend the contract for two additional two year periods to a maximum of four additional years, for a potential contract period of seven years in total.

The tender includes a price adjustment clause, which will increase or decrease the cost of the fuel depending on the fuel index.

The fuel quantities used in the tender are based on historical usage and payment will only be made for the product received.

The tender was divided into six separate schedules within the County of Grey, and five other schedules to supply four separate municipalities with fuel. Each member municipality will award their schedule for its fuel in accordance with their own by-laws.

The tender results for the County of Grey schedules are listed below:

Name of Bidder	Sch. A Chatsworth Depot	Sch. B Clarksburg Depot	Sch. C Ayton Depot	Sch. D Dundalk Depot	Sch. E Flesherton MTO Yard	Sch. F Grey Admin Building
Bryan's Fuel	\$195,218.80	\$234,814.00	No Bid	\$15,189.46	\$76,034.31	\$2,192.65
Canada Clean Fuels Inc.	\$193,390.46	\$232,822.94	\$146,271.72	\$14,521.06	\$75,549.54	No Bid
Chalmers Fuels	\$195,118.23	No Bid	\$144,720.23	\$14,807.52	\$76,929.27	No Bid
McDougall Energy	\$189,732.65	\$228,415.94	\$143,495.31	\$14,234.61	\$74,095.23	\$2,060.44
Parkland Fuel Corporation	\$194,046.99	\$233,613.94	\$146,770.05	\$14,572.48	\$75,810.57	\$2,147.90
UPI Energy FS, a division of GROWMARK, Inc.	\$197,235.85	\$237,455.94	\$148,423.80	\$14,822.21	\$77,078.43	\$2,141.80

The tender results for the participating member municipality schedules are listed below:

Name of Bidder	Sch. G Owen Sound	Sch. H1 Blue Mountains Regular Delivery	Sch. H2 Blue Mountains Provisional Delivery	Sch. I Georgian Bluffs	Sch. J Southgate
Bryan's Fuel	\$514,864.72	\$391,269.96	\$4,611.19	No Bid	\$273,342.14
Canada Clean Fuels Inc.	\$506,527.87	No Bid	No Bid	No Bid	No Bid
Chalmers Fuels	No Bid	No Bid	No Bid	No Bid	\$268,475.68
McDougall Energy	\$496,821.45	\$372,485.06	\$4,227.33	\$185,552.21	\$265,880.52
Parkland Fuel Corporation	\$508,270.04	\$381,139.73	\$4,339.09	\$189,944.52	\$272,279.26
UPI Energy FS, a division of GROWMARK, Inc.	\$516,732.05	\$393,326.78	\$4,480.00	\$197,365.01	\$277,008.76

The delivery prices for fuel are less for all locations when compared to the cost paid for fuel delivery when it was last tendered in 2014.

Legal and Legislated Requirements

RFT-TS-10-18 was completed in accordance with Grey County policies and procedures and the low bid price for all five schedules was McDougall Energy for an estimated annual total bid of \$652,034.18. However, it is recognized that the overall price will fluctuate based on actual fuel used and the fuel index.

Financial and Resource Implications

The values statement of the approved Corporate Strategic Plan includes fiscal responsibility. Consistent application of the purchasing policy requirements focuses on the commitment to ensure effective and efficient processes, which offer prudent use of public funds.

Relevant Consultation

Internal (list)

Grey County Finance Department

Grey County Committee of the Whole by way of this Report

External (list)

City of Owen Sound Staff

Town of The Blue Mountains Staff

Township of Southgate Staff

Township of Georgian Bluffs Staff

Appendices and Attachments

None