

DATE: November 18, 2024

REPORT NO: PW-26-2024

SUBJECT: **Supply and Delivery of Fuel Products - Tender Authorization**

CONTACT: Tray Benish, CRS-S, Manager of Operations
Mike Dipaola, P. Eng., Director of Public Works & Engineering

OVERVIEW:

- As part of regular operations; the Township uses approximately \$178,000 worth of fuel products annually.
- In order to benefit from economies of scale, a joint tender was completed with fifteen (15) municipalities/agencies in Niagara Region through the Niagara Public Purchasing Committee (NPPC) working group.
- The joint tender closed on August 7, 2024 with two bid submissions.
- Administration recommends acceptance of the tender submitted by Canada Clean Fuels Inc. for a three (3) year term, ending in September 2027

RECOMMENDATION:

1. That, Recommendation Report PW-26-2024, titled “Supply and Delivery of Fuel Products – Tender Authorization”, dated November 18, 2024 be received; and,
2. That, Council accepts the tender submission from Canada Clean Fuels Inc. for a three (3) year term, ending in September 2027.

ALIGNMENT TO STRATEGIC PLAN:

Theme #1

- Build a safe, connected, caring and active community

Theme #4

- Foundational: Advance organizational capacity and effectiveness

BACKGROUND:

As part of the regular operations for the Township, fuel products are required for vehicles, equipment and tools. Annually the total costs for fuel products are approximately \$178,000. The fuel types include unleaded gasoline, clear diesel, and dyed diesel.

In order to benefit from ‘economies of scale’ pricing; the Township has historically entered into a joint procurement opportunity through the Niagara Public Purchasing Committee (NPPC), which includes other municipalities and agencies in the Niagara Region. This process was used again for this tender, and included the following municipalities and agencies; Brock University, Town of Grimsby, Niagara Region, Niagara Transit Commission, Niagara Parks Commission, City of Niagara Falls, City of Port Colborne, City of St. Catharines, City of Welland, Welland Hydro, Town of Fort Erie, Town of Lincoln, City of Thorold, Township of West Lincoln, and Niagara Peninsula Conservation Authority.

CURRENT SITUATION:

The Township receives fuel deliveries to the Public Works yard (6218 London Road) and is stored in above ground fuel tanks. The fuel products include unleaded gasoline, clear diesel, and dyed diesel. The fuel is used by many departments throughout the Township including Public Works, Parks and Recreation, Building and By-Law, and the Fire Department. Fuel consumption varies from year to year depending on the Township maintenance activities, emergency calls, and operations.

A joint tender was circulated for the Supply and Delivery of Fuel Products, which was led by the City of Welland on behalf of participating agencies in the NPPC. The tender closed on August 7, 2024. The term of the contract is two (2) years, with an optional third year, extending to September 2027. Two (2) tender submissions were received by the tender closing date of August 7, 2024. The City of Welland will enter into an agreement with the vendor on behalf of the participating agencies included in the tender.

Fuel rates fluctuate daily depending on the cost of crude oil. Since this is a factor in submitting a bid, it was outlined in the tender document that every bid submission had to provide their fuel rates, including their discounts, on a specified date so the discounts that each company offered could be compared using the same date.

The annual estimated quantities for each fuel type are based off of the previous five year average. The estimated annual costs were calculated by; taking the estimated fuel quantities and multiplying them by the submitted fuel rates including the Provincial, Federal and Carbon Taxes. The table below outlines the results:

Company	Fuel Type	Estimated Quantities per year	Estimated Annual Cost
1. Canada	Unleaded Gas	40,000 Litres	

Clean Fuels Inc.	Clear Diesel Dyed Diesel	40,000 Litres 59,000 Litres	\$177,200
2. Suncor Energy Products	Unleaded Gas Clear Diesel Dyed Diesel	40,000 Litres 40,000 Litres 59,000 Litres	\$189,060

Based on the submitted pricing in the above table, Administration is recommending awarding the Supply and Delivery of Fuel Products to Canada Clean Fuels Inc. for the three (3) year term.

FINANCIAL IMPLICATIONS:

Fuel purchases are funded through the Operational Budget and costs are estimated to be approximately \$178,000 annually. There are sufficient funds in the Township’s approved Operations Budget to award this Tender.

INTER-DEPARTMENTAL COMMENTS:

This report was reviewed by the CAO, Director of Finance, and the Clerk.

CONCLUSION:

In summary, Administration recommends that the bid submission received from Canada Clean Fuels Inc. for the Supply and Delivery of Fuel Products for a three (3) year term, ending in September 2027 be accepted.

Prepared & Submitted by:

**Tray Benish, CRS-S
Manager of Operations**

**Mike DiPaola, P.Eng.
Director of Public Works & Recreation**

**Approved by:
Truper McBride, CAO**

