



Report to: General Committee-
Finance & Administration

Date of Meeting: October 16, 2006

SUBJECT: Award of Contract 185-T-06 Supply & Delivery of Gasoline,
Diesel Fuel and Furnace Oil York Region Buyers
Co-operative CT-06-01

PREPARED BY: Laurie Canning, Manager Fleet, Ext 4896
Amit Sobti, Senior Buyer, Purchasing, Ext 2239

RECOMMENDATION:

THAT the report entitled "Award of Tender 185-T-06 Supply & Delivery of Gasoline, Diesel Fuel and Furnace Oil York Region Buyers Co-operative CT-06-01" be received;

AND THAT Part A, Item 1 of Tender 185-T-06 be awarded to the lowest priced bidder, Suncor Energy Products Inc. in the estimated annual amount of \$395,557.80 exclusive of GST;

AND THAT Part A, Item 3 of Tender 185-T-06 be awarded to the lowest priced bidder, FIBA Canning Inc. in the estimated annual amount of \$246,073.16 exclusive of GST;

AND THAT Part B, Item 1 of Tender 185-T-06 purchased on credit cards at area service stations be awarded to Suncor Energy Products Inc. in their unit price discount of 4% on POS (Point Of Sale);

AND THAT the term of the contract be for one (1) year commencing from the date of issue of the purchase order with an option to renew for two (2) additional one (1) year periods subject to the satisfactory performance of the Contractor and approval of the Region of York and/or the participating members of the Co-operative;

AND THAT the Director of Operations and the Manager of Purchasing be authorized to extend the contract for the additional two (2) one (1) year terms at a unit price to be mutually agreed upon with the vendor and the York Region Co-operative;

AND THAT the costs for November and December 2006, estimated at \$116,460.00 be charged to the 2006 Operations Departments Operating Accounts;

AND THAT the following 2007 estimated costs be provided for within the budget submission for the Operations Department;

Account Name	Account Number	Budget
Gasoline	750-752-4300	\$382,541.00
Diesel Fuel	750-752-4302	\$243,715.00
Bio Diesel	750-752-4307	\$ 15,375.00
Total		\$641,631.00

EXECUTIVE SUMMARY:

Not applicable

FINANCIAL CONSIDERATIONS:

The following table is a summary of the 2006 financial considerations for this report:

Original Budget and Account #	\$503,629	See accounts below
Current Budget Available (unspent)	\$195,539	
Less Cost	(\$116,460)	Awarded to Suncor Energy Products Inc.
Less Contingency		and FIBA Canning Inc
Budget Remaining	\$79,079	

2006 Budget

Account Name	Account Number	Budget
Gasoline	750-752-4300	\$289,636.00
Diesel Fuel	750-752-4302	\$198,993.00
Bio Diesel	750-752-4307	\$ 15,000.00
Total		\$503,629.00

The total budget in the above listed accounts is \$503,629.00. Based on the tender award, the estimated cost for fuel in 2007 is \$641,630.96. The shortfall of \$138,001.96 will be subject to the approval of the 2007 budget.

PURPOSE:

The purpose of this report is to award the contract for Supply and Delivery of Gasoline, Diesel Fuel and Furnace Oil Tender, 185-T-06 (York Region Co-op Tender CT-06-01).

BACKGROUND:

York Region, on behalf of the York Region Public Buyers Co-operative, issued a tender for the Supply and Delivery of Gasoline, Diesel Fuel and Furnace Oil, which closed on July 20, 2006. The other participating agencies were:

The Regional Municipality of York	York Regional Police Department
City of Vaughan	Town of Aurora
Town of East Gwillimbury	Town of Georgina
Town of Newmarket	Town of Richmond Hill
Town of Whitchurch-Stouffville	Township of King

The tender was comprised of the following two parts:

Part A, Items 1, 2 & 3 – Gasoline and Diesel Fuel F.O.B. delivered in bulk to storage tanks at participants' locations. This section included various alternative fuel types as a result of direct initiatives from the GT "Clean Air" Council.

Part B, Items 1 & 2 – Gasoline and Diesel Fuel purchased on credit cards dispensed into participants' vehicles by area service stations.

The tender was issued in compliance with the Town's Purchasing By-Law and was advertised in the local newspapers and electronically on the Electronic Tendering Network.

OPTIONS/ DISCUSSION:

The award of this tender is being recommended to the two lowest priced and acceptable bidders. Staff has reviewed the bid documents and are satisfied that all terms, conditions, bid prices and specifications comply with the Town's requirements.

BID INFORMATION

Advertised, place and date	Daily Commercial News
Bids closed on	July 20, 2006
Number picking up bid documents	5
Number responding to bid	3

Bid Analysis**Part A – Gasoline & Diesel Fuel Delivered in Bulk to Storage Tanks**

Item	Product	Price Per Litre (Inclusive of all taxes)		
		Suncor	Shell	Fiba
1	Regular Unleaded Gasoline	\$0.9031	\$0.9249	No Bid
2	No. 1 Low Sulphur Diesel	\$0.8827	\$0.9110	No Bid
3	B20 Blended No. 1 Low Sulphur Diesel	\$0.9327	No Bid	\$0.8838

Part B – Discount on Gasoline, Diesel Fuel Purchased on Credit Cards at Area Service Centres

Discount per litre allowed on all credit card purchase			
Item	Product	Suncor*	Shell
1	Regular Unleaded Gasoline	4%	2.25 cents
2	Diesel Fuel	4%	2.25 cents

*Suncor provide a 4 % discount that will be applied to the monthly statement equating to approx. 3.61 cents per litre for a price of 90.31 cents per litre as mentioned in Part A. This represents a higher discount compared to Shell.

Part B is applicable to the Fire Department and designated Town staff for emergency purpose only. Currently, most Town vehicles fill-up centrally at the four storage tanks located at 555 Miller Avenue, 4415 14th Avenue, 428 John Street, 6 Princess Street and Milne Park.

Pricing for this tender was based on the weekly Bloomberg Oil Buyers Guide (OBG), Petroleum Price Supplement – Canadian Unbranded Rack Prices (Toronto). Bidders were asked to use the monthly average price for the month of October, 2003 as a starting point for this agreement along with a fixed mark-up price. The mark-up is fixed for the duration of the contract however the unit price of the fuel will fluctuate from month to month. Price increases or decreases shall be based on the monthly average price for gasoline and diesel fuels- Canadian Unbranded Rack Price (Toronto). Price increase and

or decrease will take effect on the 5th of each month and remain firm for a period of one month.

DETAILED PRICING INFORMATION

Fuel Type	Unit Price Per Tonne (Delivered)	Estimated Annual Usage in Litres	Extended Annual Cost
Regular Unleaded Gasoline	\$0.9031	438,000.00	\$395,557.80
B20 Blended No. 1 Low Sulphur Diesel	\$0.8838	278,426.30	\$246,073.16
TOTAL		716,426.30	\$641,630.96

Note: Unit Prices are inclusive of PST, exclusive of GST

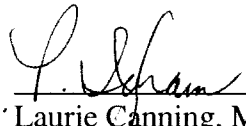
FINANCIAL TEMPLATE:


Not applicable

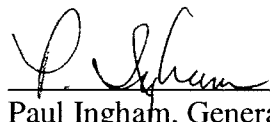
ENVIRONMENTAL CONSIDERATIONS:

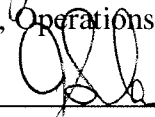
It is the intention of the Fleet Department to increase the use of Bio Diesel in more units during 2007 to further promote a "Green Fleet" reducing Green House gases.

RECOMMENDED**BY:**


Laurie Canning, Manager,
Fleet


Peter Loukes, Director,
Operations


Paul Ingham, General
Manager, Operations


Jim Sales, Commissioner,
Community & Fire Services

ATTACHMENTS:

Not applicable