

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2017-006

Date: January 10, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: City-Wide

Subject: Amending Agreement for Tender 2013-114-OT - Supply and Delivery of Gasoline, Clear and Coloured Diesel Fuel (Co-operative)

Author/Title: Debbie Ball, Buyer

Signature:



Recommendation(s):

RESOLVED THAT Report PUR2017-006 for **Amending Agreement for Tender 2013-114-OT - Supply and Delivery of Gasoline, Clear and Coloured Diesel Fuel**, be received;

THAT the Amending Agreement with Suncor Energy Products Partnership of Mississauga be approved to be entered into for three months to coincide with the term of the Kawartha Collaborative Purchasing Group (KCPG) co-operative contract from January 1, 2017 to March 31, 2017 at the estimated operating cost of \$386,000.00;

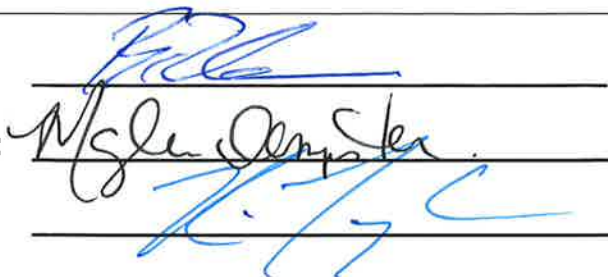
THAT subject to receipt of the required documents, the Mayor and Clerk be authorized to execute the Amending Agreement; and

THAT Purchasing Division be authorized to issue a Purchase Order in 2017.

Department Head:

Corporate Services Director / Other:

Chief Administrative Officer:



Background:

At the Council meeting of March 4, 2014, Council adopted the following resolution:

10.3.7 **RESOLVED THAT** Report PUR2014-011, **Tender 2013-114-OT Supply and Delivery of Gasoline, Clear and Coloured Diesel Fuel to the City of Kawartha Lakes**, be received;

THAT the City participate in the co-operative opportunity for the supply and delivery of gasoline, clear and coloured diesel fuel, under the same terms and conditions of the City of Peterborough's Tender T-36-13;

THAT Suncor Energy Products Partnership of Mississauga be selected for the award of City of Kawartha Lakes' Tender 2013-114-OT for the supply and delivery of gasoline, clear and coloured diesel fuel to City locations, based on the Toronto Rack Price plus a unit cost per litre for delivery to each location as indicated in Chart 2 for each fuel type for a term of three (3) years;

THAT the necessary by-law be forwarded to Council for adoption;

THAT subject to receipt of the required documents, the Purchasing Division be authorized to issue a Purchase Order to Suncor Energy Products Partnership of Mississauga for each of the operating years commencing; March 1 to December 31, 2014; January 1 to December 31, 2015; and January 1 to December 31, 2016; and

THAT staff advise of the option to renew this contract for an additional two (2) terms of two (2) years each to be approved in accordance with the Purchasing Policy, Table of Authority 4.04, subject to favourable performance of the contract and satisfactory pricing being established.

CR2014-212

This report addresses the direction of Council and the requirement for the Amending Agreement.

The City has participated in the Kawartha Collaborative Purchasing Group (KCPG) co-operative fuel tender since 2004 with the City of Peterborough being the lead. Participating members in the co-operative group include: County of Peterborough (including Peterborough County/City Paramedics PCCP); Trent University; Township of Cavan Monaghan; Township of Douro-Dummer; Peterborough Utilities Services; Township of Otonabee-South Monaghan; Township of Selwyn; Township of Trent Lakes; Township of Asphodel-Norwood; and, the City of Kawartha Lakes, which equates to a total of 39 delivery locations.

The term of the co-operative contract was for three years, due to expire on March 31, 2017. The agreement that the City of Kawartha Lakes entered into with Suncor however, was only to December 31, 2016 to coincide with the City's operating fiscal period. This would essentially leave the City without a contract for a three month period.

Rationale:

Staff recommend entering into an Amending Agreement with Suncor for the term of January 1 to March 31, 2017, under the same terms and conditions as the original contract to ensure continual receipt of fuel. Suncor is supportive of the Amending Agreement.

A further report to Council will follow in the new year advising of entering into the first - two year extension to the contract with Suncor Energy.

In accordance with the Table of Authority Section 4.04 of the City's Purchasing Policy, purchases greater than or equal to \$100,000.00 must be approved by Council.

Other Alternatives Considered:

No other alternative is being considered based on the fact that a co-operative competitive, procurement process was followed in 2014, whereby pricing obtained in that process yielded good value and continues to do so, operating funds are available; and, this commodity is necessary for the performance of day to day City operations.

Financial Considerations:

Costs for supply and delivery of gasoline, clear and coloured diesel fuel are expensed from the operating budget. There are adequate funds in the operating budget based on 2016 estimated usage.

Fuel expenses for the first three months of 2016 was \$386,075.26.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The continuation with the existing contract for the supply and delivery of fuel, gasoline, clear and coloured diesel fuel aligns with Enabler 3: Municipal Service Excellence of the Corporate Strategic Plan.

Review of Accessibility Implications of Any Development or Policy:

Not applicable.

Servicing Comments:

Not applicable.

Consultations:

Todd Bryant, Manager, Fleet and Transit Operations

Attachments:

Not applicable.

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Department Head:	Bryan Robinson, Director of Public Works
Department File:	2013-114-OT Supply and Delivery of Gasoline, Clear and Coloured Diesel Fuel (Co-operative