



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 10-100

TO: Mayor and Council

FROM: Stephen Dickey, Deputy Treasurer

PREPARED BY: Janis Morrison, Purchasing Coordinator, Financial Services Department

DATE OF MEETING: 2010-03-23

SUBJECT: RFP Award - Request For Proposal F31-FS-PS-2009-11
For The Supply and Delivery of Furnace Oil

EXECUTIVE SUMMARY:

Request for Proposal F31-FS-PS-2009-11 was publicly advertised as well as fax broadcast to vendors on the City of Kingston vendor list. Four submissions were received. The RFP for furnace oil is coordinated by the Purchasing Coordinator, Financial Services Department, to secure fair prices and consistent supply and service for the procurement of furnace oil. The City uses approximately 55,000 litres of furnace oil per year.

The highest scoring proposal was submitted by McKeown and Wood Fuels; however it was not the lowest price. In compliance with Purchasing By-Law No. 2000-134, Section 3.4, where any one of the criteria required for award by delegated authority is not present; the procurement must be approved by separate report to council.

RECOMMENDATION:

That Request for Proposal (RFP) F31-FS-PS-2009-11, for the Supply and Delivery of Furnace Oil, be awarded to McKeown and Wood Fuels having submitted the highest scoring proposal based on the predetermined evaluation criteria, and

That the Mayor and Clerk be authorized to enter into a contract with McKeown and Wood Fuels to the satisfaction of the Director of Legal Services, for the Supply and Delivery of Furnace Oil.

AUTHORIZING SIGNATURES:

<p>ORIGINAL SIGNED BY DIRECTOR OF FINANCIAL SERVICES</p> <p>_____ Stephen Dickey, Acting Director</p>	<p>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</p> <p>_____ Gerard Hunt, Chief Administrative Officer</p>
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CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	√
Terry Willing, <i>Community Development Services</i>	√
Denis Leger, <i>Corporate Services</i>	√
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

OPTIONS/DISCUSSION:

This RFP will result in a two year term, commencing with the signing of the contract, with further one month extensions subject to the approval of the City of Kingston.

Proposals were evaluated by the Purchasing Unit of the Financial Services Department in consultation with Corporate Services, Sustainability & Growth and Community Development Services and resulted in the following ranking.

Proposal Ranking Results	
1	McKeown & Wood Fuels
2	Rosen Triheat Anglin
3	Fergusson Energy Inc.
4	Ultramar

The following predetermined evaluation criteria was provided to proponents and applied in the evaluation process.

Components	Weighting Applied
Pricing, Proposed Formulas, Related Costs, Alternate Options	40 %
Product Characteristics, Specifications, Customer Service Emergency Contingencies, Sustainable and Environmental Considerations, Value added	40 %
Company Profile, References, Years in Business, Location, Resources	17 %
Ontarians With Disabilities Act	3 %

As part of environmental considerations, proponents were scored on the maximum level sulphur content of proposed products, summarized as follows.¹

McKeown and Wood	Fergusson Energy Inc.	Rosen Triheat Anglin	Ultramar
15 ppm	15 ppm	500 ppm	500 ppm

¹ It is desirable to have a low sulphur content of fuel as it is a contributor to the formation of sulphur dioxide emissions from tailpipe exhausts which can contribute to smog and poor air quality.

The recommended supplier is the city's current supplier for this commodity.

EXISTING POLICY/BY-LAW:

Purchasing By-Law No. 2000-134, a By-law to Establish Purchasing Policies and Procedures for the City of Kingston, as amended.

NOTICE PROVISIONS:

Request for Proposal F31-FS-PS-2009-11 was publicly advertised as well as fax broadcast to vendors on the City of Kingston vendor list.

ACCESSIBILITY CONSIDERATIONS:

In the evaluation of proposals, three percent (3%) of the total score was allocated toward the Ontarians with Disabilities Act.

FINANCIAL CONSIDERATIONS:

Proponents were given ten (10) 2009 dates to submit pricing based on their proposed formulas that would reflect the prices the City of Kingston would have paid for furnace oil on these dates. The following market pricing based on the various formulas was averaged for the purposes of evaluation:

Ultramar	Rosen Triheat Anglin	McKeown and Wood	Fergusson Energy Inc.
0.6336/litre	0.6500/litre	0.6536/litre	0.6975/litre

No firm pricing was submitted and in consideration of volatility of this commodity over the past few years it is impossible to determine future pricing with certainty. It is estimated that the City will spend approximately \$35,000/year on furnace oil.

CONTACTS:

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Luke Follwell	Manager, Recreation Facilities	546-4291	Ext. 1815
Deputy Chief Bullock	Fire and Rescue	548-4001	Ext. 5220
Jamie Brash	Supervisor, Facilities Maintenance	546-4291	Ext. 1291

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:

All Departments that have oil furnaces.

EXIBITS ATTACHED

None