



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 12-122

TO: Mayor and Members of Council

FROM: Denis Leger, Commissioner of Transportation, Properties & Emergency Services

RESOURCE STAFF: Sheila Kidd, Director of Transportation Services

DATE OF MEETING: April 17, 2012

SUBJECT: F31-TPES-TS-FL-2012-06 –SUPPLY OF A RETAIL / CARDLOCK FUEL PURCHASE SYSTEM

EXECUTIVE SUMMARY:

The purpose of this report is to seek Council approval to award an RFP to Suncor Energy Inc. for the purchase of gasoline and diesel fuel services from their retail and cardlock outlets throughout Ontario. Council approval is required as staff received only one bid submission for this RFP.

RECOMMENDATION:

THAT the RFP F31-TPES-TS-FL-2012-06 be awarded to Suncor Energy Inc. for the purchase of gasoline and diesel fuel distribution services through their retail and commercial cardlock network.

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY COMMISSIONER _____ Denis Leger, Commissioner of Transportation, Properties & Emergency Services
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER _____ Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	N/R
Lanie Hurdle, <i>Community Services</i>	N/R
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

OPTIONS/DISCUSSION:

The fuel supply for City vehicles and equipment, with the exception of transit, is provided under a commercial fuel contract. This practice began in 2003 when a review of the City’s aging in-ground fuel tanks, infrastructure and pumping equipment identified a potential liability in the event of a fuel rupture.

With the assistance of the Environmental Department, the old in-ground fuel tanks and associated equipment, which was close to 30 years old at the time, was removed and we migrated to a commercial fleet fuel program. The only remaining in-ground tanks are at the Transit facility. These tanks are fiberglass construction and do not pose the same environmental risk as their steel predecessors. Fleet Services have been using a commercial fuel provider for a portion of the fueling needs since that time.

City employees that use equipment are issued a fuel card that is protected with their personal PIN number by which they are able to access fuel for whatever vehicle they may be assigned on a given day. The fuel card is valid at all locations in Ontario that are owned or operated by the contracted fuel company. In this case, the recommendation is to Suncor Energy Inc.

The primary fueling requirement is within the City of Kingston. Suncor, who have recently merged with Petro Canada, have six locations throughout the city, five of which are retail stations and one commercial cardlock station. The commercial cardlock station is used for fueling large vehicles.

Fuel volume discounts are as follows:

Product	Discount Off Posted Retail Fuel Pump
Unleaded Gasoline (All Grades)	3.0 cents/litre
Diesel	3.5 cents/litre

Product	Cardlock Discount Commercial Price
Diesel	Approx. 6.0 cents/litre off posted retail fuel pump.

It should be noted that Suncor/Petro Canada is the present fuel supplier and is a company in good standing.

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EXISTING POLICY/BY LAW:

By-law 2000-134, *a By-law to Establish Purchasing Policies and Procedures for the City of Kingston*

Green Fleet Policy for the City of Kingston

NOTICE PROVISIONS:

N/A

ACCESSIBILITY CONSIDERATIONS:

Consideration of the *Ontarians with Disabilities Act* is incorporated into every City issued RFP.

FINANCIAL CONSIDERATIONS:

This purchase is funded from the 2012 capital budget as approved by Council.

CONTACTS:

Sheila Kidd, Director of Transportation Services
Robert (Bud) Steele Manager of Fleet

613-546-4291, Ext. 2221
613-546-4291, Ext. 2216

OTHER CITY OF KINGSTON STAFF CONSULTED:

N/A

EXHIBITS ATTACHED:

N/A