



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE REPORT

Subject: Supply and Delivery of Various Fuel Products
Director: Infrastructure & Development
Manager: Operations
Report Number: Operations-2023-17
Meeting Date: Monday, August 14, 2023

Recommendation:

That Council award the supply and delivery of the various fuels tender contract to the low bidder MacDougall Energy Inc. as per report Operations-2023-17.

Date to be considered by Council: Monday, August 14, 2023

Report Summary:

The current supply and delivery of various fuel products contract for the Municipality of Kincardine (MoK) expires on September 21, 2023. The Municipality of Kincardine partnered with the County of Bruce in the Request for Tender (RFT) process for a new multi-year contract for the supply and delivery of the MoK's various fuel requirements. The RFT closed on July 11, 2023 with McDougall Energy Inc. as the lowest bidder for the MoK.

Origin: 2023 Operating Budget/Expiration of current contract

Existing Policy: Purchasing and Procurement Policy GG.2.17

Background/Analysis: The County of Bruce advertised for a request for tender (RFT) for the supply and delivery of various fuel products on May 25, 2023, closing the RFT on July 11, 2023. This RFT process was issued in collaboration with the County of Bruce, The Municipality of Kincardine, and the Municipality of Arran-Elderslie.

The initial term of the contract shall be for three (3) consecutive years, commencing September 2023, with the option to renew for two (2) additional one (1) year periods at the Municipality's discretion.

Qualified bidders were asked to provide pricing per litre at the daily rack price indicated on the RFT plus the delivery cost per litre, plus applicable taxes as indicated on the Schedule of Items and Prices. Bidders were not to adjust the daily rack prices as provided on the Schedule of Prices. The Municipality of Kincardine requires supply and delivery of various fuel products in differing amounts to the various locations annually which is what the RFT was based on.

The Municipality of Kincardine received three (3) compliant bids, with McDougall Energy Inc. submitting the lowest bid of \$345,946.93. Pricing remains at \$0.00 above the daily wholesome rack price (DWRP). The MoK may see some financial benefit as the previous contract was based on Toronto's DWRP, whereas the current RFT is based on Sarnia's DWRP which tends to be \$0.01 per litre less expensive.

Integrated Strategy 2020 – 2025: Vibrant Growth and Infrastructure: Optimize the use of existing infrastructure and ensure it is adequately maintained.

Financial Implications: Approximately \$345,946.93 based on consumption requirements annually for 3 consecutive years, with an option to extend for two (2) additional one (1) year contracts. This aligns with the approved fuel budget for all departments (excluding the Marina and the Airport which are not included in this tender) totalling \$485,644 for the 2023 budget year.

Attachments: N/A

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