



City of
Peterborough

To: **Members of the General Committee**

From: **Allan Seabrooke, Commissioner of Community Services**

Meeting Date: **May 28, 2018**

Subject: **Report CSRS18-009**
Outcome of Tender T-11-18 for The Supply and Delivery of Mid Grade Ethanol Free Gasoline for the Peterborough Marina

Purpose

A report to inform Council of the results of Tender T-11-17 for the supply and delivery of Mid Grade Ethanol Free Gasoline for the Peterborough Marina, and to recommend a supplier for the 2018 to 2020 boating seasons.

Recommendations

That Council approve the recommendations outlined in Report CSRS18-009, dated May 28, 2018 of the Commissioner of Community Services as follows:

- a) That Tender T-11-18 for the Supply and Delivery of Ethanol Free Gasoline for the Peterborough Marina not be awarded, as no bids were received; and
- b) That mid grade ethanol free gasoline for the Peterborough Marina be purchased from Endicott Fuels and Propane Ltd., located at 700 Ashburnham Drive, Peterborough for the 2018 to 2020 boating seasons at an estimated cost of \$76,720 per season based on 70,000 litres per season and a current price of 109.6 cents per litre.

Budget and Financial Implications

Based on an estimated 70,000 litres per year, and the 109.6 cent cost per litre, the estimated annual value of the award is \$76,720 per season. The 2018 expense can be accommodated within the approved 2018 Marina operating budget. Future budgets will include an appropriate provision in both 2019 and 2020.

Actual costs will vary depending on market rates and the actual quantity of mid grade ethanol free gasoline purchased annually. The fuel purchased is re-sold to Marina patrons for a profit, at fair market value, which generates a profit of approximately \$17,780 per season.

Background

The City's vendor of record cannot supply mid-grade ethanol free gasoline to the Peterborough Marina. In response, Staff requested pricing from Endicott Fuels & Propane Ltd., who supplied the Marina's mid-grade Ethanol Free fuel in 2016, and from Deeth & White/Fitzgerald Fuels. Endicott's price was \$1.09 per litre with Deeth & White's price at \$1.10 per litre. On June 14, 2017, the Administrative Staff Committee approved the recommendations of Report CSRS17-004 to sole source the purchase of ethanol free gasoline to Endicott Fuels & Propane Ltd. for the 2017 season, and that Staff issues a Request for Tender to procure a supplier for a five year period, beginning with the 2018 season. On February 26, 2018, Staff released tender T-11-18, to procure a supplier of mid grade ethanol free gasoline for the Marina.

Brief Description of the Work Being Procured

Through T-11-18, the City sought a supplier of mid grade ethanol free gasoline for the Peterborough Marina, for the 2018 to 2022 boating seasons. Diesel fuel for the marina is provided through a separate contract with Suncor Energy Product Partnership, secured through Tender T-36-13. That contract extends to 2020. The annual Marina operating budget includes an allocation for the purchase of approximately 70,000 litres of mid grade ethanol free gasoline, which is then resold for a profit to patrons at a reasonable market rate.

Procurement Type, Closing Date, Prepared by, Reviewed by

Tender T-11-18 closed at 3:00 pm on Thursday March 29, 2018. The Tender document was prepared by City Staff. No bid submissions were received in response to the Tender. Staff received feedback from only one supplier, who indicated the contract was not large enough to justify registering with Biddingo, and investing the time and effort in preparing a bid document to meet the requirements of the RFT.

As per Part 9 section 9.1.2 (e) of the City's Purchasing By-law 14-127, a non-competitive procurement process is permitted when no bids were received in a bid solicitation process. As such, City Staff requested and received quotes from two suppliers of mid grade ethanol free gasoline, as follows:

Firm Name	Address	Per Litre Price (as of April 10, 2018)
Endicott Fuels & Propane Ltd	700 Ashburnham Drive, Peterborough	109.6 cents
Deeth & White/Fitzgerald Fuels	860 Water Street Peterborough	114.07 cents

Recommended Bidder

Staff recommends that the mid grade ethanol free fuel be purchased from Endicott Fuels and Propane Ltd. located at 700 Ashburnham Drive, Peterborough for the 2018 to 2020 boating seasons, pending the issuance of a Tender at the end of the current contract period with Suncor Energy Product Partnership.

Delegated Authority to Approve

Part 8, Section 8.2.1 of the Purchasing By-law 14-127 requires Council's approval to award an RFT when the award is greater than \$100,000 and not as a result of a Request for Tender.

Timelines

If the recommendation is approved, the purchase will be confirmed via a purchase order before the work commences.

Summary

Tender T-11-18 was issued to secure a supplier of mid grade ethanol free gasoline for the Peterborough Marina. No bids were received in response to the tender. Staff have obtained quotes from two known local suppliers of mid grade ethanol free gasoline. Staff is recommending that Council award to the supplier with the lowest quote, in accordance with its authority as set out in the Purchasing By-law 14-127 and as described in this report.

Submitted by,

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Commissioner of Community Services

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