



## REPORT

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**TO:** Mayor Lawlor and Members of Council

**FROM:** Mark Covert, Director of Public Works

**DATE:** August 14, 2024

**REPORT NO.:** TPW-2024-018

**SUBJECT:** Award of Proposal 2024-068-P Design & Build of Municipal Fuel Station with Cardlock System

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### RECOMMENDATION:

THAT Report No. TPW-2024-018, dated August 14, 2024 regarding the Award of Proposal 2024-068-P Design & Build of Municipal Fuel Station with Cardlock System be received;

AND FURTHER THAT Proposal 2024-068-P Design & Build of Municipal Fuel Station with Cardlock System be awarded to Comco Canada Ltd.;

AND FURTHER THAT the Manager of Purchasing be authorized to issue a purchase order to Comco Canada Ltd., in the amount of \$528,876.13 plus applicable taxes;

AND FURTHER THAT the capital budget for Ops Centre Fuel Depot (6500-06-2401) be increased by \$188,184; from \$350,000 to \$538,184; and that the additional funding requirement of \$188,184 be financed by transferring \$130,653 from the New Capital Reserve, and \$57,531 from the Roads & Related DC as set out in TPW-2024-018;

AND FURTHER THAT Council authorizes the Mayor and Clerk to execute the necessary contract documents for the project.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- Fueling of critical Public Works, Activan and Fire Services equipment mainly occurs at various public gas stations throughout the Town.
- It is reasonable to assume a continuing need for petroleum-based fuels in the short to medium term.

- The existing fuel tanks are approaching end-of-life and will likely require replacement within the next three years;
- There is an opportunity to reduce costs and risk through the replacement of the current fuel tanks with a station that would accommodate the Town's complete fueling needs.
- Funding for a new fuel station in the amount of \$350,000 was approved by Council through the 2024 Budget.
- Request for Proposals 2024-068-P for the Design & Build of Municipal Fuel Station with Cardlock System was issued on May 28, 2024. The specification included a concrete platform, three (3) above ground storage tanks, lighting, partially enclosed user kiosk, fuel management system (licensing fee for 3 years), back-up generator and decommissioning of the existing fuel tanks.
- Comco Canada Inc. are recommended for award and its proposal price is \$528,876.13 plus applicable taxes.
- Staff have identified favourable variances to budget in two previously approved Public Works projects (6500-03-2001 Ops Centre Winter Storage and 6500-10-2301 Ops Centre Yard Safety Improvements). This funding will be returned to reserves at the end of the 2024 reporting year to offset the additional funding request identified in this report.

## **BACKGROUND AND DISCUSSION:**

Currently, fueling of critical Public Works, Activan and Fire Services equipment mainly occurs at various public gas stations throughout the Town. Minimal diesel fuel, providing some fueling and backup capacity, and for fueling off-road equipment, is currently stored at the Robert C. Austin Operations Centre. The existing fuel tanks, installed in 2009, are approaching end-of-life and will likely require replacement within the next three years.

Despite industry trends to electric or other alternative fuel vehicles in the future, it is reasonable to assume that internal combustion engines will remain a significant portion of the Town's fleet for years to come, and hence a continuing need for petroleum-based fuels in the short to medium term. This is especially so with large trucks and off-road equipment.

Following review and analysis by staff, an opportunity was identified to reduce costs and risk through the replacement of the current fuel tanks at the Operations Centre. A station that would accommodate the Town's complete fueling needs (including Public Works, Activan and Fire) provides the following benefits:

- full fueling services at the same location where most Town equipment is stored will result in operational efficiencies;
- the fuel management system will modernize current manual fuel allocation processes;
- Town vehicles, including large tandem dump trucks, will no longer need to operate in busy public fuel stations;

- the system will include a generator to provide fueling continuity during major power outages; and,
- staff analysis of fuel pricing over recent years found savings in purchased bulk fuel over the price paid at commercial gas stations. With this trend likely to continue for the foreseeable future, purchasing all fuel in bulk will provide an estimated savings of \$30,000 per year.

Funding for a new fuel station in the amount of \$350,000 was approved by Council through the 2024 Budget (Capital Project 6500-06-2401 Ops Centre Fuel Depot). Request for Proposals 2024-068-P for the Design & Build of Municipal Fuel Station with Cardlock System was issued on May 28, 2024 and closed on June 25, 2024. The specification included a concrete platform, three (3) above ground storage tanks, lighting, partially enclosed user kiosk, fuel management system (licensing fee for 3 years) and back-up generator. The specification also included training and decommissioning of the existing fuel tanks. The RFP was advertised on the Bids and Tender's website. A total of eight (8) plan takers downloaded the bid documents and two (2) bids were received.

Following the evaluation process involving Public Works, Information Technology Services and Purchasing staff, Comco Canada Inc. (Comco) was determined to be the successful proponent and are recommended for award through this report. The Comco proposal price is \$528,876.13 plus applicable taxes.

#### **STRATEGIC PLAN ALIGNMENT:**

This report identifies infrastructure and asset management as one of the Town's Strategic priorities.

#### **RELATIONSHIP TO CLIMATE CHANGE:**

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

#### **PUBLIC ENGAGEMENT:**

Public Engagement was not needed as this report is administrative in nature.

#### **INTERNAL CONSULTATION:**

Purchasing and Finance staff were consulted in the preparation of this report.

**FINANCIAL IMPLICATIONS:**

The total financial impact to the Town for the Comco proposal, including applicable taxes, is \$538,184.

As presented in the table below, the Ops Centre Fuel Depot (6500-06-2401) project has a remaining capital budget of \$350,000. The shortfall of \$188,184 (including non-refundable HST) is recommended to be offset by a transfer of \$130,653 from the New Capital reserve and \$57,531 from the Roads & Related DC reserve.

<b>Description</b>	<b>Amount</b>
2024 Approved Budget (6500-06-2401)	350,000
Previously committed expenses	-
<b>Balance Available</b>	<b>350,000</b>
<b>Estimated Expenses</b>	
Comco Canada Inc. Bid	528,876
Non-recoverable HST (1.76%)	9,308
<b>Total estimated expenses</b>	<b>538,184</b>
<b>Remaining Budget</b>	<b>(188,184)</b>

In conjunction with the review of the Comco proposal, staff have identified favourable variances to budget in two previously approved Public Works projects (6500-03-2001 Ops Centre Winter Storage and 6500-10-2301 Ops Centre Yard Safety Improvements). This funding can be returned to reserves to offset the additional funding request identified in this report, as part of the 2024 year end capital reporting process.

Reviewed and approved by,  
Bethany Yew, Manager of Purchasing  
Moya Jane Leighton, Director of Finance & Town Treasurer  
Bill Andrews, Commissioner of Transportation & Public Works  
Chris Mills, Chief Administrative Officer