



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Mark Covert, Director of Public Works

DATE: January 8, 2025

REPORT NO.: TPW-2025-002

SUBJECT: Award of Contract for Fuel at Retail Stations

RECOMMENDATION:

THAT Report No. TPW-2025-002, dated January 8, 2025, regarding the Award of Contract for Fuel at Retail Stations, be received;

AND FURTHER THAT Suncor Energy, be awarded a contract for fuel at retail stations through leveraging the Regional Municipality of Halton Police Services Board (HRPS) Request for Proposal # P-025-24, for a period of up to five (5) years, from November 1, 2024 to October 31, 2029;

AND FURTHER THAT the Manager of Purchasing be authorized to issue purchase orders for the above, to an upset limit of \$700,000 plus applicable taxes for the period of five years;

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

KEY POINTS:

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

- Currently, fueling of Town equipment occurs mainly at public retail gas stations throughout the Town.
- The existing contract for Fuel at Retail Stations, leveraged through Halton Region, expired on October 31, 2024.

- An expanded fuel depot is currently under construction at the Robert C. Austin Operations Centre and is anticipated to be operational by mid-2025, after which the majority of Town vehicle fueling will transfer to the Operations Centre.
- Some retail fueling will continue for operational efficiency and as a back-up provision.
- Regional Municipality of Halton Police Services Board (HRPS) issued Request for Proposals # P-025-24 and recently awarded to Suncor Energy.
- HRPS is a member of the Halton Co-Operative Purchasing Group.
- Purchasing Policy (PLCY-2022-0003), Section 11 allows the Town to join or participate with other government agencies and co-operative buying groups.
- Staff recommends awarding a contract to Suncor Energy for up to a five-year period with a total contract upset limit of \$700,000.

BACKGROUND AND DISCUSSION:

Currently, fueling of Town equipment (Public Works, Activan, Fire Services, Facilities, etc.) occurs mainly at public retail gas stations throughout the Town. The existing contract for fuel at retail stations with Suncor Energy (Petro Canada branded stations), leveraged through HRPS, expired October 31, 2024.

An expanded fuel depot is currently under construction at the Robert C. Austin Operations Centre and is expected to be operational by mid-2025. When complete, most Town equipment fueling will transfer to the Operations Centre. Some limited fueling at retail stations will continue for operational efficiency (e.g. equipment stationed in Acton), and as an emergency back-up provision.

HRPS issued Request for Proposals (RFP) # P-025-24 “Fuel and External Vehicle Wash Retail Purchasing Program”. Suncor Energy submitted the highest ranked proposal, which provides a discounted per litre price at the retail stations, and HRPS recently finalized a new contract with Suncor Energy. The Town has been leveraging the HRPS retail fuel purchasing program since 2010.

Staff recommends awarding a contract to Suncor Energy, which owns and operates four (4) Petro Canada retail stations in Halton Hills. The contract has an initial three (3) year term with an optional two (2) year renewal period, which would expire October 31, 2029.

STRATEGIC PLAN ALIGNMENT:

This report is administrative in nature and does not have an impact on the Town’s Strategic Plan.

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:

Staff from the Purchasing Division were involved in the preparation of this report. The Manager of Purchasing agrees with a contract award to Suncor Energy.

FINANCIAL IMPLICATIONS:

This report will be funded through an existing approved budget source.

The spending on retail fuel for all Town equipment is estimated to be within an upset limit of \$400,000 (excluding tax) for 2025 and \$75,000 (excluding tax) annually thereafter for a total contract upset limit of \$700,000.

Reviewed and approved by,

Bethany Yew, Manager of Purchasing

Moya Jane Leighton, Treasurer

Bill Andrews, Commissioner of Transportation & Public Works

Chris Mills, Chief Administrative Officer