Agenda – Executive Policy Committee – May 22, 2024

REPORTS

Item No. 10 Award of Contract for the Supply and Delivery of Bulk Fuel, Cardlock and Retail Fuel Card – RFSO No. 29617 – MM Ref. No. 397-2023

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the City award, enter into, execute and deliver for the Supply and Delivery of Bulk Fuel to 4Refuel Canada LP, who submitted the most advantageous responsive proposal, for the period of June 1, 2024, to March 31, 2029, in the estimated amount of $65,808,119.63, GST extra as applicable.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Award of Contract for the Supply and Delivery of Bulk Fuel, Cardlock and Retail Fuel Card – RFSO No. 29617 – MM Ref. No. 397-2023

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
B. D'Avignon	J. Speidel, acting for C. Kloepfer	J. Speidel, acting for C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

This report recommends an award of contract for the Supply and Delivery of Bulk Fuel to 4Refuel Canada LP, the lowest price and most advantageous Proponent as identified in the History section of this report in accordance with Request for Standing Offer No. 29617 that was issued by the Department of Consumer Protection and Government Services at the Province of Manitoba as a Cooperative Purchase on behalf of the Public Sector Buying Group.

The Recommendations included in this Report comply with the requirements of the various trade agreements and the City's Materials Management Policy.

RECOMMENDATIONS

1. That the City award, enter into, execute and deliver for the Supply and Delivery of Bulk Fuel to 4Refuel Canada LP, who submitted the most advantageous responsive proposal, for the period of June 1, 2024, to March 31, 2029, in the estimated amount of $65,808,119.63, GST extra as applicable.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract is estimated to be $65,808,119.63 plus GST, Executive Policy Committee may approve the award of this multi-year contract pursuant to the Materials Management Policy. The contract is for a purchase that obligates the City to order goods only when required by the City and only in quantities required by the City.

IMPLICATIONS OF THE RECOMMENDATIONS

The contract is for the supply and delivery of bulk fuels, including diesel fuel, gasoline and furnace fuel for the City, and for other cooperative participants in the Winnipeg region.

The estimated contract amount of $65,808,119.63 does not include the amount of any cooperative purchases. The bid prices stated below and the contract amount differ because of the cooperative purchases.

The contract is for the period of June 1, 2024, to March 31, 2029, with the option of two mutually agreed upon one-year extensions.

This contract is on an “as required” basis and does not commit the City to purchase any fixed quantity. The goods are purchased and used by various City departments during the term of the contract. As the funding for this contract is through the budgets of the various user departments, the financial impact will have to be determined by the user departments on an individual basis.

HISTORY/DISCUSSION

The Department of Consumer Protection and Government Services at the Province of Manitoba issued a Request for Standing Offer (RFSO) on November 30, 2023. This collaborative procurement initiative was formed by public sector members to satisfy business needs, maximize efficiencies and achieve cost savings by combining commodity volumes for different public sector organizations.

The City of Winnipeg bulk fuel volume was included in the Winnipeg region.

Final receipt of proposals was 4p.m. on January 18, 2024. In response to the RFSO, five companies returned proposals for the Winnipeg region of RFSO No. 29617. The five companies are listed in the chart below:

TECHNICAL EVALUATION							
Minimum Technical Score is 60			4RefuelCanada LP	Proponent 1	Proponent 2	Proponent 3	Proponent 4
Ref. #	Requirement	Score					
BULK FUEL							
1	Describe ability to deliver Bulk Fuel	50	**50**	**50**	**30**	**50**	**50**
2	Bulk Fuel Lead Time	50	**50**	**50**	**30**	**30**	**30**
Total		**100**	**100**	**100**	**60**	**80**	**80**
FINANCIAL EVALUATION							
Bulk Region 10 Winnipeg	**Lump Sum** (Total value of proposal)		$14,527,100	$15,713,425	$17,021,540	$15,975,703	$16,895,410
	Price per Point		$145,271	$157,134	$283,692	$199,696	$211,193
	Ranking		1	2	5	3	4

The Proposal with the lowest price per point will be the top ranked Proponent.

Appendix A of the Request for Standing Offer stated the mandatory submission requirements which included the technical submission and pricing/financial submission. The evaluation Criteria for the bulk fuel technical submission were as follows:

BULK FUEL

Non-Price Rated Criteria	Weighting (Points)	Minimum Threshold
Describe ability to deliver bulk fuel	50	N/A
Bulk fuel delivery lead time	50	N/A
Total Non-Price Rated Criteria Points	100	N/A
Price Evaluation Method	Submission ranking determined as per the method described in Section G	
Minimum threshold to become Contract Vendor (see Section G)	60	

The pricing/financial submissions were evaluated using the price per point method and calculated as follows:

Total $Value of Submission = $ Price per Point
Total Point Score
(The proponent with the lowest price per point is the top ranked proponent)

The Province of Manitoba, on behalf of the participating Buying Group Members, will enter into a Standing Offer Agreement (SOA) with one Proponent per region for the bulk fuel sub-category whose Proposal is judged to best serve the interests of the Buying Group Members when evaluated in accordance with the stated evaluation criteria.

Each Buying Group Member will individually enter into a Participating Addendum (PA) with the successful Proponent. Both the SOA and the PA will form the Contract between the Contractor and the Buying Group Member for the supply and delivery of bulk fuel. Buying Group Members may opt to enter into Participating Addendum during the term of the Standing Offer Agreement after their current service contracts expire.

It is recommended that a Participating Addendum be signed and a contract be awarded to 4Refuel Canada LP, the Proponent who submitted the most advantageous responsive proposal.

The Contract Administrator has reviewed the work with the recommended Proponent and is satisfied that they have the necessary resources and experience to perform the work of the contract in accordance with the requirement of the Request for Proposal.

The requirements for Bid Securities and the execution of a formal contract are waived for this purchase in accordance with the authority delegated to the Manager of Purchasing.

FINANCIAL IMPACT

Financial Impact Statement **Date:** May 3, 2024

Project Name: **First Year of Program** **2024**

Award of Contract for the Supply and Delivery of Bulk Fuel, Cardlock and Retail Fuel Card – RFSO No. 29617

	2024	2025	2026	2027	2028
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 8,498,324	$ 14,568,556	$ 14,568,556	$ 14,568,556	$ 14,568,556
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 8,498,324	$ 14,568,556	$ 14,568,556	$ 14,568,556	$ 14,568,556
Less: Existing Budget Amounts	8,498,324	14,568,556	14,568,556	14,568,556	14,568,556
Net Budget Adjustment Required	$ 0	$ 0	$ 0	$ 0	$ 0

Additional Comments:

1. Direct costs above represent the contract value of $65,808,120 plus 7% MRST for the period of June 1, 2024 to March 31, 2029 with the option of two (2) mutually agreed upon one (1) year extensions.

2. Funding for this Contract is through the budgets of the various user departments. The goods/services are purchased and used by various City departments during the term of the Contract on an "as required" basis. The financial impact will have to be determined by the user departments on an individual basis. The Contract does not commit the City to purchase any fixed quantity.

Randy Bernard

Randy Bernard, CPA, CMA

Manager of Finance & Administration (Camp

Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

Consideration was given as to whether this report connects to OurWinnipeg and it was determined that the OurWinnipeg is not applicable to this specific report.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Corporate Finance
Division: Purchasing
Prepared by: Ekie Oseghale
Date: May 3, 2024
File No.: 397-2023