

Section III – Items for the Information of the Board

TO: Chair and Members of the Board of Directors
Friday, June 24, 2022 Meeting

FROM: Anil Wijesooriya, Director, Restoration and Infrastructure

RE: **FOLLOW-UP REPORT FOR THE AWARD OF CONTRACT 10036684 – VENDORS OF RECORD FOR SUPPLY AND DELIVERY OF LIQUID FUELS**
RFP No. 10036684

KEY ISSUE

To provide Toronto and Region Conservation Authority's (TRCA) Board of Directors with follow-up information regarding the award of Contract 10036684 – Vendors of Record for Supply and Delivery of Liquid Fuels

RECOMMENDATION:

THAT TRCA recommends that the Follow-Up Report for the Award of Contract 10036684 - Vendors of Record for Supply and Delivery of Liquid Fuels Report, be received, for information.

BACKGROUND

At Board of Directors Meeting held on November 19, 2021, Resolution #RES.#A250/21 was approved as follows:

LET IT BE RESOLVED THAT TRCA staff be directed to establish a Vendor of Record arrangement with Alpha Oil Inc, Armstrong Petroleums Limited, and Parkland Corporation (operating as Ultramar) for the supply of liquid fuels for a period of three (3) years with an option to extend for an additional two (2) years, at TRCA staff's discretion, at a total cost not to exceed \$1,098,212, plus applicable taxes;

Staff have prepared a report to provide comments addressing common concerns for why some firms may take procurement documents but choose not to provide a Proposal. This report also notes differences between the Ministry of Government and Consumer Services' (MGCS) Vendor of Record (VOR) for bulk fuels and TRCA's bulk fuels VOR established through Contract 10036684.

RATIONALE

TRCA staff completed a follow-up review of the current VOR available through the Ministry of Government and Consumer Services (MGCS) Fuel and Energy. Based on this review the following reasons informed the decision for TRCA to proceed with establishing a Vendors of Record agreement, separate, but not exclusive of the MGCS VOR.

Fuel Delivery Restrictions

During the review of the MGCS VOR it was noted that suppliers within TRCA's jurisdiction would only supply fuel directly to bulk fuel tanks. During an internal review of TRCA's fuel requirements, it was determined that only 16% of TRCA's bulk fueling needs could be serviced with the MGCS VOR, where bulk storage tanks are available. These locations include some of TRCA's conservation parks, satellite offices and outdoor education centres. TRCA's active worksites, which account for approximately 40% of TRCA's fuel needs, require mobile refueling

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services. These services provide direct refueling of pieces of equipment for day-to-day operations. The use of bulk storage tanks at these worksites is either not possible or economical and therefore the MGCS VOR cannot service these operations.

To service these worksites a separate procurement was required, and the scope of this work was captured within Contract #10036684 between TRCA and three (3) Vendors for this VOR. The remaining 44% of TRCA's fueling requirements are completed through Public Fuel Outlets (PFO).

Emergency Delivery Requirements

TRCA is responsible for dewatering and emergency flood mitigation measures that require consistent and rapid delivery of fuel. These requirements for Vendors are outlined within the provisions of our agreements and are specific to TRCA's needs. However, these same requirements for emergency fuel deliveries and order turnaround times are not present in the MGCS VOR.

Biodiesel Delivery

To reduce emissions TRCA has added the option of utilizing biodiesel blends through our liquid fuels VOR. The aim of this addition is to transition toward exclusively using biodiesel blends in TRCA's off-highway equipment. The MGCS VOR is restricted to traditional fuel types, with no availability of biodiesel supply.

Pricing Comparison

Like TRCA's VOR, the MGCS VOR has fluctuating fuel pricing based on Natural Resources Canada's Daily Rack Rate, these prices would therefore be identical between TRCA and MGCS's VOR. The only difference in pricing is related to supply and delivery charges, which TRCA has deemed to be competitive and has followed Public Procurement Directives to establish.

Procurement Process

According to the public procurement website which was utilized for this procurement process (Biddingo.com), eleven (11) firms took the RFP documents associated with the VOR contract. No questions or concerns were noted by any of these firms during the procurement process. At the submission deadline for this procurement process, three (3) Proponents provided Proposals. Generally, firms decide whether submitting a Proposal is of benefit to them, considering the costs and scope of the requested project or tender.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 2 – Manage our regional water resources for current and future generations

Strategy 7 – Build partnerships and new business models

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