

Subject: City Wide - Bulk Oil and Lubricant Contract Extension with Petro-Canada Lubricants Inc. CON8449 - City Wide

Reference:

Date: September 6, 2019
 Author: Alex Vucinic, Purchasing Manager
 (519) 255-6100 x6280
 avucinic@citywindsor.ca
 Purchasing
 Report Date: 6/6/2019
 Clerk's File #: APM/12466

Recommendation:

THAT the CAO and City Clerk **BE AUTHORIZED** to sign a two – year renewal option, pursuant to CAO3397 for Bulk Oil and Lubricants Contract between Petro-Canada Lubricants Inc. and the Corporation of the City of Windsor for the provision of Bulk Oil and Lubricant services, renewing on April 1, 2019 to March 31, 2021; and,

THAT the CAO **APPROVE** an amendment to the Bulk Oil and Lubricants Contract which represents an exclusion of the Public Works Department and a 4% increase in pricing for April 1, 2019 to March 31, 2021, satisfactory in form to the City Solicitor, in financial content to the Chief Financial Officer & City Treasurer and in Technical content to the Executive Director, Transit Windsor.

Contract Information:

Contracting Party Name:	Petro-Canada Lubricants Inc. 2310 Lakeshore Rd. West Mississauga, ON L5J 1k2
Contact Person:	Kelly Jones, Account Manager P : (905) 491-0348 Kelly.Jones@petrocanadaLSP.com
Amount of Contract*: (Exclusive of Taxes)	Windsor Fire & Rescue: \$7,213 Transit Windsor: \$169,460 Parks & Recreation: \$5,152 Pollution Control: \$172 TOTAL: \$181,997 annually (estimated)

*The amounts outlined in the “amount of contract” section in the above chart are future estimates including the 4% increase as bulk lubricant and fluid volumes vary annually depending on the needs of the departments.

As part of its purchasing strategy, the City utilizes a bulk oil contract to increase operational flexibility and manage purchases within the provisions of the Purchasing Bylaw.

The City conducted an RFT 151-15 for the provision of bulk oil and lubricants services in 2015 for a 3 year period beginning April 1, 2015 and ending March 31, 2019, with a two-year renewal options.

The City of Windsor requires qualified distributors to supply and deliver various types of bulk oil and lubricants for regular and occasional emergency delivery response on an “as and when” required basis, for Windsor Fire & Rescue, Parks, Public Works, Pollution Control and Transit Windsor. Any additional City departments, divisions, boards or agencies, and other requirements currently not listed may be added at any time during the contract term, as and when required, at the same pricing as the contract.

Public Works has exercised the right not to renew for this extension period. The Public Works department pursuant to the Purchasing Bylaw 93-2012 shall obtain oil and lubricants services elsewhere in hopes to improve their operational efficiencies.

The price increase is a direct reflection of the oil price fluctuations and the City’s reduced scope of service (Public Works exclusion). See following chart:

	Address	Sales Volume in Litres 2018- Bulk Lubricants	Total Spent 2018- Including Bulk Lubricants and Other Bulk Fluids	Estimated Spending Total 2019 - 4% increase
		Litres	CAD	CAD
TRANSIT WINDSOR	3700 NORTH SERVICE RD EAST	17,948	\$162,942	\$169,460
PUBLIC WORKS -CRAWFORD	1531 CRAWFORD	3,973	\$9,729	
PARKS & REC - PARKS YD	2461 MCDOUGALL	1,900	\$4,953	\$5,152
FIRE APPARATUS	2885 KEW DR	1,821	\$6,935	\$7,213
PUMP STATION	9400 LITTLE RIVER RD	40	\$166	\$172
		25,682	\$184,726	\$181,997

The total spend for all City of Windsor accounts last year was \$184,726 CAD, if we were to apply the price increase of 4% and the exclusion of Public Works (given the same volumes from 2018 for 2019) the annual overall cost for this contract will be ~\$181,997 (an annual decrease of \$2,729).

After further evaluation and market analysis, Petro-Canada Lubricants Inc. continues to offer the most favourable rates to the City.

Any contract with a value over \$150,000 MUST have Council approval except for where the CAO may approve a requisition and make an award of an RFT of any dollar value provided **the funds have been included in the Council-approved operating or capital budget, and the RFT response does not exceed that approved budget as per Section 37b of Purchasing By-law 93-2012; and; except for where the CAO may approve a requisition and make an award of a Sole Source of any dollar value provided **the funds have been included in the Council-approved operating or capital budget, and the Sole Source response does not exceed that approved budget** as per Section 37d of Purchasing By-law 93-2012.*

Method of Contract Award:

Request for Tender no. 151-15

Approvals Required for Purchase and Contract:

Authority for Approval of Purchase: Chief Administrative Officer

FPA Comments confirming Budgetary Funding: The Financial Planning Administrator for Transit Windsor has confirmed there is sufficient funding in the operating budget to cover the cost of the contract extension for Transit Windsor.

Approvals:

Title
Executive Director, Transit Windsor
Financial Planning Administrator, Transit Windsor
Purchasing Manager
On behalf of Chief Financial Officer & City Treasurer
Chief Administrative Officer

Notifications:

Name
Kelly Jones

Appendices: