



Item .....
Meeting ..... 2016 Oct 17

## COUNCIL REPORT

**TO:** CITY MANAGER **DATE:** 2016 October 11

**FROM:** DIRECTOR FINANCE **FILE:** 5820-20

**SUBJECT: CONTRACT EXTENSION - FUEL PRODUCTS**

**PURPOSE:** To obtain Council approval for a one year contract extension for the supply and delivery of gasoline, diesel, bio-diesel and related fuel products.

### RECOMMENDATION:

1. **THAT** Council approve a one year contract extension for the supply and delivery of fuel products with Chevron Canada Ltd. for a total estimated cost of \$3,350,000 including GST in the amount of \$159,600. Final payment will be based on actual delivered quantities and quoted unit pricing.

### REPORT

The City of Vancouver issued a Request for Proposal on behalf of the British Columbia Petroleum Product Buying Group ("BCPPBG"), of which the City of Burnaby is a member. The BCPPBG is comprised of approximately 75 regional and municipal governments, and school board member organizations, which in total purchase approximately 36 million litres of fuel products annually.

On 2011 November 23, Council awarded a three year contract (2011 December 14 to 2014 December 13) to Chevron Canada Ltd. with a provision for up to two additional one year periods to a maximum of five years. This recommendation is for a third contract extension for the period 2016 December 14 to 2017 December 13 as the lead agency (City of Vancouver) has advised Chevron that it is exercising a clause within the Agreement that states that where both parties continue to deal with each other following the expiry date, the Agreement will be deemed to be renewed for additional one year periods. A bid document is anticipated to be released to the marketplace during the first half of 2017.

Chevron Canada Ltd. has a proven record in supplying gasoline, diesel, bio-diesel and related fuel products to the City for more than fifteen years. The City has found their prices competitive and reflective of the current market conditions. City staff have reviewed the provision of service and concur with the BCPPBG recommendation to extend the Chevron Canada Ltd. contract for one year to 2017 December 13.

Funding for these expenditures is included in various operating accounts in the 2016 – 2020 Annual Financial Plan.

for   
Denise Jorgenson  
DIRECTOR FINANCE

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Copied to: Director Engineering