

Staff Report

Report To: City Council
Report From: Lauren Stewart, Purchasing & Claims Coordinator
Meeting Date: July 7, 2025
Report Code: CR-25-089
Subject: Award of City of Owen Sound Component of Grey County
Joint Tender RFT-TS-07-25 Supply and Delivery of Various
Fuel Products

Recommendations:

THAT in consideration of Staff Report CR-25-089 respecting the Award of the City of Owen Sound Component of the Grey County Joint Tender RFT-TS-07-25 Supply and Delivery of Various Fuel Products, City Council:

1. Awards the City's portion of the above-noted tender to Midwest Co-operative Services Inc, the lowest compliant bid received for \$440,819.49, including the non-refundable allocation of HST for year 1 of the Agreement; and
2. Directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the agreement.

Highlights:

- The City has a fuel tank located at Public Works (1900 20th Street East), which is the fuel source for all vehicles including City fleet, fire, police and transit buses.
- This includes dyed diesel, clear diesel and regular unleaded gasoline on an as required basis within the approved Operating budget.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: This report supports the delivery of Core Service.

Staff Report CR-25-089: Award of City of Owen Sound Component of Grey County
Joint Tender RFT-TS-07-25 Supply and Delivery of Various Fuel Products

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

N/A

Background:

In accordance with the City's Procurement of Goods, Services, Construction, and Consulting Policy (By-law 2020-002), the award of all purchases above \$250,000 must be approved by Council.

The City of Owen Sound has a fuel tank located at the Public Works building (1900 20th Street East), which is the fuel source for all vehicles including City fleet, fire, police and transit buses. Additionally, there is a back-up fuel generator system in place for power outages.

The County of Grey issued a joint tender to establish a contract for the supply and delivery of various fuel products including the County of Grey, the City of Owen Sound, Town of Blue Mountains, Township of Southgate, Township of Chatsworth and Township of West Grey. The initial contract term is three years commencing August 1, 2025, with two optional additional 2-year terms.

The joint purchasing initiative provides competitive pricing based on the principle that increased committed quantities equate to lower unit rates. The initiative also reduces the internal burden on the City from developing a Tender for similar services.

This report has been drafted to provide Council with the necessary information to approve the City of Owen Sound Component of the Grey County Joint Tender.

Analysis:

The tender was posted on the County of Grey Bonfire purchasing webpage on May 16, 2025, and closed with five compliant bids received. The fuel quantities specified in the tender document are based on historical usage, and payment will only be made for the product actually received.

The bids received for the City's estimated portion of the work, including the non-refundable allocation of HST, are as follows:

Company Name	Bid Price – Year 1
Midwest Co-operative Services Inc.	\$440,819.49
Bryan's Fuel	\$501,096.12
McDougall Energy Inc.	\$509,044.96
MacDonnell Fuels	\$522,587.60
Canada Clean Fuels	\$547,415.81

The tender submission from Midwest Co-operative Services Inc. is the lowest compliant Bidder and is recommended for Tender Award by the County of Grey and the City.

Financial Implications:

The allocated budget for fuel across the various divisions is \$525,500 and is funded through the operating budget.

The provision of various fuel products, including dyed diesel, clear diesel and regular unleaded gasoline, is on an as-required basis within the approved operating budget. The quantities used for the year 1 calculation represented a three-year average for the period from 2022 to 2024.

Years two and three of the Agreement will have a 2% increase in the delivery price. The City may elect to extend for an additional two 2-year terms through negotiation with the contractor.

The pricing received through the Tender is based on the delivery cost above the Daily Suncor Rack Price per Litre. The delivery pricing received through the Tender process has slightly decreased compared to that of the previous contract.

Communication Strategy:

The above-noted Tender was posted on the County's Bonfire website on May 16, 2025, in compliance with the City's Purchasing By-law to be accessible to all potential bidders.

Consultation:

Director of Public Works & Engineering
Grey County Purchasing Staff

Attachments:

N/A

Recommended by:

Bradey Carbert, Manager of Corporate Services
Lauren Stewart, Purchasing & Claims Coordinator

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Bradey Carbert, Manager of Corporate Services at bcarbert@owensound.ca or 519-376-4440 ext. 1240.