



REQUEST FOR A DECISION

City Council – November 28, 2022

To: Her Worship Mayor Kate Rogers and Members of City Council
From: Scott Brown, Manager Building Services & Fleet Services
Date: November 17, 2022
Title: Fleet Fuel Management System Upgrade (P22-47)

ISSUE:

Seeking City Council approval to award Request for Proposal P22-47 For the Supply of a Fuel Management System Upgrade for Fleet Services at three (3) Fleet fueling facility locations.

The City is looking to enter into a agreement with Phoenix Petroleum Ltd to provide removal of the current fuel card lock terminals and fuel management system and replace with new card lock terminals and fuel management systems at three (3) Fleet fueling facility locations for fueling City of Fredericton fleet vehicles and equipment.

RECOMMENDATION(S):

A. Recommendation:

It is recommended that the following resolution be forwarded to City Council for consideration: BE IT RESOLVED THAT the Council of the City of Fredericton hereby authorizes and approves the award of Request for Proposal P22-47, For the Supply of A Fuel Management System Upgrade to the highest scored supplier meeting the requirements, Phoenix Petroleum Ltd. with respect to the provision and delivery of a fuel management system upgrade as outlined in the RFP for an amount of Thirty Three Thousand Seven Hundred and Thirty-Five Dollars and Twenty-Six Cents (\$33,735.26) inclusive of HST, for a term of five (5) years commencing December 1, 2022 and expiring on November 30, 2027 with a renewal option at the sole discretion of the City of Fredericton for two (2) additional two (2) year terms, each a renewal Term with fees to be negotiated between the parties, subject to the annual approved budget and subject to acceptable performance of the scope of services; and BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby approves and authorizes the agreement between the City of Fredericton and Phoenix Petroleum Ltd. (the "Agreement") with respect to the provision and delivery of a fuel management system upgrade; AND THAT the Mayor and City Clerk be authorized to execute the Agreement on behalf of the local government and such further legal documents as may be required to facilitate the Agreement and this resolution.

B. Other options:

1. City Council may choose not to authorize and approve the award of Request for Proposal P22-47, For the Supply of a Fuel Management System Upgrade to the highest scored supplier meeting the requirements.
2. City Council may choose to provide other direction to staff.

SITUATION:

- a. **Current Direction.** As part of the Procurement process Council authorization is required for Fleet Fuel Management System upgrade (P22-47) in accordance with Policy No COR-OP-026, to have council approval to enter into contract/agreement with a vendor.
- b. **Alignment.** This aligns with Council Statement of Replacing assets at end of life, the fuel management system and cardlock equipment is at end of life and was budgeted as part of the 2022 Budget process and already approved by Mayor and Council. This is routine business as part of the RFP process to award and enter into agreement with the successful vendor.
- c. Link to **CAO goal or inflight.** There are no CAO goals or inflight initiative to which this applies.
- d. **Why** This report this is coming to Council because it is a Five (5) Year agreement with option to renewal for an additional two (2) one-year terms. As a result, this agreement requires Council authority for the Mayor to sign and enter into agreement with the vendor.

BACKGROUND & DISCUSSION:

The City of Fredericton owns and maintains its own City fueling stations at three (3) locations within the municipality. These fueling stations are located at St. Mary's operations depot, Regent Street operations depot, and within our Transit Bus storage facility on St. Mary's Street. These fueling stations are used to fuel all City vehicles and equipment. The fuel management system and cardlock terminals allows the Fleet division to track, monitor and understand fuel usage throughout the organization. This can be from an individual, departmental, divisional, and time basis. This information is used for monthly usage and chargebacks to departments and divisions. This also allows staff to track our GHG emissions from our Fleet assets on an annual basis.

This Admin report is before you to seek approval to award and enter into a contract to install new hardware as well as ongoing software and support. The Fuel Management system upgrade RFP (P22-47) was publicly advertised and the City received one RFP submission from Phoenix Petroleum. Phoenix petroleum has been a long term vendor for the City of Fredericton and currently maintains our current fuel systems and fuel dispensing units. The fuel system software and terminal proposed by the vendor is a cloud based platform which is an enhancement over our previous system. This system is used by other organizations in our region with success, and Phoenix Petroleum has trained staff to trouble shoot and maintain the system on a 24/7 basis.

Environmental impact:

This system will be used to contribute to efforts in tracking fuel usage which will relate to GHG emissions for the City Fleet. Tracking and monitoring our GHG emissions is required as part of our Corporate Energy and Emissions Plan.

- **FINANCIAL:** Funding for the Fuel system and terminal replacement will be provided through Fleets 2022 NTCA Capital budget 111 4597 66521 1085 0000 0000. There was \$35,000 budgeted for this project and the vendor submission was for \$29,319.26 (HST included). This cost was for the installation of the card lock system and terminals along with a 12 month licensing fee. On an ongoing annually basis there will be a \$960 (HST extra) cost annually for licensing. This licensing fee will be covered in Fleet's annual operating budget under line-item - Software license and renewals 111 4501 66506 1085 0000 0000
- **Legal:** Staff from the Fleet Services, Purchasing and Payables and Legal Division have determined that the proposed agreement between the City of Fredericton and the Supplier contains standard contractual provisions which are acceptable for this matter. Select provisions to note: the agreement has a term of five years commencing December 1, 2022 and expiring November 30, 2027, with a renewal option at the sole discretion of the City of Fredericton for two (2) additional two (2) year terms, each a renewal Term with fees to be negotiated between the parties; the payment of fees and expansion of or continuation of services is contingent on our annual approved budget; the City has the right to expand or reduce the services; the municipality has the ability, at its sole discretion (at no cost) to terminate the agreement without cause at any time prior to the end of the term upon thirty days written notice; and no personal information data or confidential information will be sold, share or transferred by the supplier and its data centers and services, if any, shall be in (and remain) in Canada. A copy of the draft agreement is attached for your review, consideration, and approval.

- **PURCHASING:** Procurement Policy and Procedures were followed to obtain competitive submissions in accordance with the Negotiated RFP format. Submissions for this opportunity closed on November 1, 2022 and one (1) compliant submission was received, resulting in the recommendation to award.
- **COMMUNICATIONS:** There is no public communication required from this decision. The City will communicate directly with the successful vendors who will carry out the work accordingly.
- **CLIMATE LENS:**

Does this proposal move the City of Fredericton closer to its greenhouse gas (GHG) emissions reduction targets of 50% reduction by 2030 and net-zero by 2050 in line with the City's Corporate Energy & Emissions Plan and/or Community Energy Emission Plan?

- Moves us towards GHG reduction targets
- No change in GHG emissions
- Moves us away from GHG targets but there are trade-offs with other Council or Municipal Plan priorities (*identify which priorities*)

Does this proposal improve the City of Fredericton's resilience to the impacts of climate change in line with our Climate Change Adaptation Plan?

- Moves us towards climate resilience
- No change in resilience
- Moves us away from climate resilience but there are trade-offs with other Council or Municipal Plan priorities (*identify which priorities*)

SPOKESPERSON: Scott Brown, Manager, Building Services & Fleet Services

Prepared by: Scott Brown, Manager, Building Services & Fleet Services

Approved by: Dylan Gamble, Director, Engineering & Operations

/Attachments: (1) Agreement between the City of Fredericton and Phoenix Petroleum Ltd.