

Flagged item #4**Budget Process, November 2023**

Flagged Item # 4	Flagged Item #4 - Bulk Fuel Alternatives THAT Administration provide information on potential alternatives to building a bulk fuel station, including options to canvas the market for bulk fuel discounts.
Date of Request	November 22, 2023
Moved By	R. Frank
Response Required by	12:00 p.m. November 24 2023
Department / Division	Fleet and Facility Management / Corporate Services and Chief Financial Officer

Follow up questions to Administration's initial response.

1 What is the dollar saving generated by the current fuel card system over retail, and how do those savings compare to a fueling station build?

2 Is there a solution to tracking fuel to vehicle and what would it cost? Any estimate of the dollar amount of such misuse of not using county vehicles?

3 Please clarify, procurement is currently going to market for fueling card options?

Question 1 Answer

For the 2023 average diesel costs are as follows

Ave Pump Price	Ave Fleet card Price	Savings per ltr	Ave Bulk Diesel Price	Saving over Fleet Card Price
\$1.4795/l	\$1.4100/l	\$0.0695/L	\$1.255/L	\$0.155/L

The current 2023 average for fuel card savings over pump prices for gasoline is as follow.

Average pump prices	Average Fleet Card Price	Savings Over pump prices
\$1.357/L	\$1.275/L	\$0.082/L

It is assumed that the price savings for gasoline will be inline with the bulk savings already being achieved for diesel.

Question2 Answer

The County has purchased and has installed a Veeder-root fuel management system that has been installed on the bulk diesel fuel tanks in Josephburg public works yard and at the

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SPSY bulk diesel tank. This system records which vehicle and the amount of fuel dispensed. The system is integrated with our fleet management software where the data is automatically uploaded for use in fleet maintenance planning. The system would be expanded to incorporate gasoline if the bulk fuel island is approved. The additional costs to add additional Veeder-root monitoring controls is approximately \$4,000.00 per fuel pump.

Currently, we cannot track the fleet card use in enough detail to determine what our annual loss may be, if any. The financial control concern is the inability to confirm if losses are occurring.

Question 3 Answer

The County has reviewed what regional municipalities are paying for bulk fuels and based on some municipalities, the information they have shared, their prices are below what our current agreement is providing. With the proposed addition of the bulk fuel island, administration is requesting proposals to provide both diesel and gasoline to be delivered to the SPSY expanded bulk fueling island, and diesel and gasoline to the other locations that County already has in fuel tanks in place.

The procurement services branch and our fleet operations branch are working together to confirm fuel quantities that may be purchased annually. Depending on Council's decision on the bulk fuel island will determine the expected annual gasoline quantities required. It is expected that this public procurement will conclude in Q2 of 2024.