



Report
Staff Report
 The Corporation of the City of Brampton
 3/19/2025

Date: 2025-02-24

Subject: **Update on Sourcing of Diesel and Biodiesel**

Contact: Ryan Booth, Director, Transit Operations and Maintenance

Report number: Brampton Transit-2025-185

RECOMMENDATIONS:

1. That the report titled re: **Update on Sourcing of Diesel and Biodiesel** to the Committee of Council meeting on March 19, 2025 be received; and
2. That the Purchasing Agent be authorized to participate in up to two (2) options, each one-year in length available in the current joint diesel fuel contract with the City of Toronto and Mississauga; and
3. That the recommendations two and three in Council's resolution CW041-2024 be extended to March 30, 2027, authorizing:
 - i. the Purchasing Agent to commence procurement of diesel and biodiesel, and
 - ii. the General Manager, Transit, or designate, be delegated authority on behalf of the City to execute any necessary contracts, agreements, and or amending agreements, and other documentation as may be required in connection therewith on terms and conditions satisfactory to the General Manager, Transit, or designate and Treasurer in a form acceptable to the City Solicitor.

OVERVIEW:

- **At Committee of Council, on January 31, 2024, Council authorized the procurement of diesel and biodiesel, and provided delegated authority to the General Manager, Transit, to enter and modify joint procurement agreements.**
- **This report is an update on the approach being followed to secure a lower unit price and fees by consolidating the City's requirements with other municipalities and agencies.**

BACKGROUND:

At Committee of Council, on December 12, 2019, Transit submitted a report: Request to Begin Procurement for the Supply and Delivery of Diesel Fuel for Transit and Fleet Services.

On April 1st, 2020, the City joined a co-operative procurement with the cities of Toronto and Mississauga.

The Contract consisted of a two-year initial term and five one-year options. The City joined the Contract about eight months after its initiation and only for three one-year options.

The current option expires in March 2025. In anticipation of the need for a new Contract, Transit submitted report 2024-062, on January 31, 2024, Request to Begin Procurement – Various Transit Goods and Services.

Through resolution CW041-2024, Council authorized:

- the Purchasing Agent to commence procurement of diesel and biodiesel, and
- the General Manager, Transit, or designate, be delegated authority on behalf of the City to execute any necessary contracts, agreements, and or amending agreements, and other documentation as may be required in connection therewith on terms and conditions satisfactory to the General Manager, Transit, or designate and Treasurer in a form acceptable to the City Solicitor

CURRENT SITUATION:

Given the success of joint procurements to obtain lower prices, the City's approach is to maximize the benefits of volume consolidation by joining a procurement that seeks to combine the requirements of more than the two cities already in partnership.

This larger joint procurement is in the works and the cities of Toronto and Mississauga plan to exercise at least one of the two one-year options left in the Contract.

CORPORATE IMPLICATIONS:

Financial Implications:

There are no immediate financial implications arising from the adoption of the recommendations in this report.

Joint procurements have consistently demonstrated better value for money by leveraging larger purchase volumes, leading to cost savings for participating municipalities.

Funding for fuel procurement is available through the Goods and Services Inventory Account, and Transit will ensure adequate funding is incorporated into future years' operating budgets and presented to the Mayor for consideration.

Purchasing Implications

Joint or Co-operative Purchasing are a more efficient competitive procurement method and approach that leverage the combined purchase volumes of several municipalities, often resulting in improved pricing, value for money and contract terms for participants.

Upon Council approval, a Contract Extension for the approved contract option will be undertaken and authorized in accordance with the Purchasing By-Law and established procedures.

STRATEGIC FOCUS AREA:

This report supports the following Corporate Strategic Plan priorities:

- **Transit & Connectivity:** Focusing on transportation and connected infrastructure that is safe, convenient, efficient, and sustainable by enhancing transit services.
- **Environmental Resilience & Sustainability:** Focusing on nurturing and protecting our environment for a sustainable future by enhancing energy and climate resilience.

The goods described on this report will be procured through an open and transparent process and ensure Transit service reliability.

Completion of this procurement also support Transit's contribution to Brampton's goals as a green City through provision of alternative modes of transportation.

CONCLUSION:

The approach described on this report results in better pricing than the one that can be obtained through City only procurement of diesel and biodiesel, it is recommended that Council authorize the Purchasing Agent to issue up to two, one-year options under the current contract, and to extend the validity of Council resolution CW041-2024 to March 30, 2027.

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