

## AVON MAITLAND DISTRICT SCHOOL BOARD

*We Will: Create Positive, Inclusive Learning Environments, and Maximize Outcomes for Students*

### DIRECTOR'S ACTION REPORT

**TO: Regular Board Meeting – Tuesday, October 25, 2016**

**AGENDA ITEM: 4.3 a**

**SUBJECT: Approval of Tender: Heating Propane and Equipment**

#### 1.0 Background

- 1.1 Five Avon Maitland school locations require propane for heating purposes. The five schools are: Brookside PS, Howick Central PS, Milverton PS, Mornington Central PS and North Easthope PS.
- 1.2 The most recent tendered three-year contract to provide propane and propane storage tanks expired on March 31, 2016.
- 1.3 Given the expiration of this contract, Procurement Services staff issued a Request for Tender (RFT) to supply propane and propane storage tanks on September 16, 2016 for the five buildings.
- 1.4 The RFT terms included a three-year contract with a locked in annual price per litre of propane for the 2016/2017 heating season. As per normal fuel commodity tendering processes, the annual price per litre of propane will be negotiated for each of the following two heating seasons; 2017/2018 and 2018/2019. This negotiation includes a comparison to the standard propane rates available at the onset of the heating season. If at that time, the rate per propane litre provided by the successful vendor is not competitive, the contract can be cancelled.
- 1.5 While based on prior year deliveries of propane, the annual cost is expected to be well under the threshold requiring board approval (\$100,000), the total three-year contract price is expected to exceed this threshold.

#### 2.0 Selection Process

- 2.1 Four potential bidders were informed of the bid posting on Biddingo.com and a notice was posted on the Board's website; six copies of the RFT document were downloaded from Biddingo.com and four tender submissions were received. The tender submissions received were from the following vendors:
  - Primemax Energy Inc.
  - Sparling's Propane Company Limited
  - Super Save Enterprises Limited
  - Superior Propane
- 2.2 Procurement Services Management staff reviewed the RFT submissions, deemed all four acceptable for review and shared the results with Facilities Management staff.
- 2.3 The results of the four submissions received for propane supply and propane storage tank rental costs are as follows:

<b>Vendor</b>	<b>Price per Litre of Propane, excluding HST</b>	<b>Propane Storage Tank Rental per Month</b>
Primemax Energy Inc.	\$0.2420	\$0.00
Sparling's Propane Company Limited	\$0.3280	\$0.00
Super Save Enterprises Limited	\$0.6325	\$0.00
Superior Propane	\$0.3525	\$0.00

- 2.4 Based on the review of the submissions received and the estimated annual cost, staff are recommending that the three-year contract to supply propane and propane storage tanks to the five school locations be awarded to Primemax Energy Inc. This award includes the tendered price of \$0.242, not including HST, per litre of propane for the first heating season (2016/2017) of the contract and \$0.00 per month for propane storage tank rental for the duration of the contract. The per litre rate of propane supply for the following two heating seasons (2017/2018 and 2018/2019) will be negotiated at the onset of the heating season.

### 3.0 Recommendation

- 3.1 The recommendation for the board to consider is as follows:

the Avon Maitland District School Board award the three-year contract for five school locations for the supply of propane and propane storage tanks to Primemax Energy Inc., for the tendered price of \$0.242 per litre for propane for the first year of the contract and \$0.00 per month for storage tank rental for the duration of the contract.

Cheri Carter  
Associate Superintendent of Financial Services and  
Treasurer of the Board

Ted Doherty  
Director of Education and  
Secretary of the Board