

Fuel Use in 2006-2007 and 2007-2008 for Economic Development, Culture and Tourism

Date:	October 26, 2009
To:	Government Management Committee
From:	Director, Fleet Services Director, Purchasing and Materials Management
Wards:	All
Reference Number:	P:\2009\Internal Services\Fleet\GM09003 Fleet - (AFS 10775)

SUMMARY

This staff report responds to the request from the Government Management Committee for a staff report explaining the fuel expenditures by Economic Development, Culture and Tourism (EDCT).

Upon further review, staff have determined that a fuel use increase of 405 litres, or 4.3%, from 2006 to 2007 was due to an increase in operational demand for snow ploughing. For the years 2007 to 2008, an increase of 1,570 litres, or 16.1% in fuel use was attributable to:

- (a) additional fuel required to cut the grass on a newly sodded area on Fort York Boulevard, and
- (b) additional fuel required to operate a new slope cutting diesel tractor required to cut the sloped areas of Fort York and on Fort York Boulevard.

Financial Impact

There are no financial requirements resulting from this staff report.

DECISION HISTORY

The Director of Fleet Services and the Director of Purchasing and Materials Management (PMMD) submitted a staff report for information titled, Report on Over Expenditure For the Supply and Delivery of Various Blends of Unleaded Gasoline and Diesel Fuel to Fleet Services - Contracts 47011249, 47012078, 47013072 (June 3, 2009) to the

Government Management Committee (see GM24.18) for its meeting of September 17, 2009:

<http://www.toronto.ca/legdocs/mmis/2009/gm/agendas/2009-09-17-gm24-ai.htm>

The staff report was deferred to the meeting of the Government Management Committee for its meeting of October 14, 2009 (see GM25.11):

<http://www.toronto.ca/legdocs/mmis/2009/gm/agendas/2009-10-14-gm25-ai.htm>

At the meeting of October 14, 2009, direction was given that the Director of Fleet Services and Director of PMMD to submit a report to the November 9, 2009 meeting of Government Management Committee that provided a breakdown and explanation of the increase in fuel expenditures for EDCT for various blends of Unleaded Gasoline and Diesel Fuel (see GM25.11):

<http://www.toronto.ca/legdocs/mmis/2009/gm/decisions/2009-10-14-gm25-dd.htm>

ISSUE BACKGROUND

PMMD, in conjunction with Fleet Services and the other program divisions requiring vehicle fuel, issues a Request for Quotation (RFQ) each year for bulk fuel (Clear and Colored Diesel, Biodiesel and Gasoline). The fuel volumes included in the RFQ include estimates based on historical usage and forecasted program needs. Where over expenditures to the contract(s) between budgeted and actual fuel expenditures occur that exceed \$500,000.00, staff prepare an explanatory report for information to the Government Management Committee in accordance with the City of Toronto Municipal Code Chapter 71-11.1.C (Financial Control By-law).

In 2006-2007 and 2007-2008, the bulk fuel contracts were overspent– and a report was submitted to the Government Management Committee meeting on June 3, 2009. The Government Management Committee requested a further report on the expenditures providing a breakdown and explanation of the increase in expenditures for the EDCT for the supply and delivery of various blends of Unleaded Gasoline and Diesel Fuel.

COMMENTS

Staff from Fleet Services, PMMD and EDCT reviewed fuel use changes between 2006 and 2008 and determined that fuel use increases of 4.3% (2006 – 2007) and 16.1% (2007 – 2008) had occurred as shown in Table 1:

Table 1 - EDCT Fuel Consumption in 2006, 2007 and 2008

2006	2007	2008	Increase 2006 to 2007	Increase 2007 to 2008
9,359 Litres	9,764 Litres	11,334 Litres	405 Litres or 4.3%	1,570 Litres or 16.1%

According to staff from EDCT, the increase of 405 litres, or 4.3%, in fuel use from 2006 to 2007 was due to an increase in operational demand for snow ploughing for the 2006 to 2007 winter season. An additional snow plough was brought in from Parks, Forestry and Recreation to assist with operations.

For the years 2007 to 2008, and increase of 1,570 litres, or 16.1%, in fuel use was attributable to:

- (a) additional fuel required to cut the grass on a newly sodded area on Fort York Boulevard, and
- (b) additional fuel required to operate a new slope cutting diesel tractor required to cut the sloped areas of Fort York and on Fort York Boulevard.

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