



City of Port Moody

Report/Recommendation to Council

Date: June 20, 2022
Submitted by: Engineering and Operations Department – Solid Waste, Fleet, and Shared Services Division
Subject: Public Works Yard - Fuel Pump Replacement

Purpose

Replacement of existing fuel pumps, and kiosk.

Recommended Resolution(s)

THAT a 2022 capital project from the Equipment Asset Reserve be established for \$55,000 for the purchase of two new replacement fuel pumps and associated hardware as recommended in the report dated June 20, 2022 from the Engineering and Operations Department – Solid Waste, Fleet, and Shared Services Division regarding Public Works Yard – Fuel Pump Replacement;

AND THAT a 2022 capital project be established with funding of \$15,000 from the Equipment Asset Reserve for the purchase and installation of a new replacement kiosk structure.

Background

During the 2021/22 winter season the fueling infrastructure located at the Public Works Yard experienced a mechanical problem which resulted in unreliable fuel delivery services when they were most needed while dealing with the heavy snowfalls. Staff were able to mitigate the issue temporarily but after further diagnosis it has been determined that the 25-year-old fuel pumps and kiosk need to be replaced to restore system reliability.

Discussion

Located in the Works Yard, the City owns, operates and maintains fueling infrastructure to provide a reliable 24/7 fuel source for all City departments including Police and Fire services. The fueling infrastructure consists of one 25,000 liter above ground fuel tank that is divided into two cells: one for gasoline and the other for diesel.

The fuel is dispensed through 2 pumps, 1 single hose/nozzle pump for gasoline and 1 two hose/nozzle pump for diesel which is controlled through an electronic fuel management system

(Computrol). The Electronic management system is housed under an aging open shelter (kiosk) which is intended to protect staff and control unit components from the elements. The previous tank (1997) was replaced as part of a capital replacement project in 2012 (COP11108) but the fuel pumps and kiosk at that time were still serviceable and were reused to reduce projects costs.



Having a fuel supply is a key element in the delivery of reliable and effective services to the community. This was demonstrated during the heavy storms that disrupted the supply of fuel to the lower mainland during the fall of 2021. While service stations were running out of fuel and actually turning customers away, the City was able to continue to deliver essential and critical services during that period due to the fact that we have our own fuel supply and participate in a municipal purchasing initiative which provided more certainty that we continued to receive fuel during the affected period of time.

This municipal purchasing initiative, led by the City of Vancouver, also allows the City to purchase the fuel that at a reduced rate when compared to local service stations and or cardlock facilities. Currently Port Moody only contains five service stations with only one of them having both diesel and gasoline available. There are no cardlock facilities located within Port Moody.

When compared to local service stations or cardlocks, purchasing fuel through the Municipal contract offers the City significant savings in fuel purchase costs. For example, in 2021 the average price of gasoline (Vancouver) was approximately \$1.55/liter and the average price for diesel was \$1.46/liter. During that year the city purchased 147,389.98 liters of gasoline at \$1.39/liter and 164,228.91 liters of diesel at \$1.30/liter which demonstrates a significant savings when compared to local service stations as shown in Table 1, below.

Table 1: 2021 (Full Year) - Average Fuel Cost

Fuel Type	Volume (L) Purchased	Contract Fuel Rate (Average)	Average Local Price (Vancouver)	Price Difference	Savings
Diesel	147,389.98	\$1.30 (\$191,606.97)	\$1.46 (\$215,189.37)	\$0.16	\$23,582.40
Gasoline	164,228.91	\$1.39 (\$228,276.92)	\$1.55 (\$254,554.81)	\$0.16	\$26,277.89
Totals	311,618.89	-	-	-	\$49,860.29

As shown in Table 2, the city has seen significant savings in the first 5 months of 2022 as well.

Table 2: 2022 (Jan 1st – May 31st) - Average Fuel Cost

Fuel Type	Volume (L) Purchased	Contract Fuel Rate (Average)	Average Local Price (Vancouver)	Price Difference	Savings
Diesel	85,197.54	\$1.88 (\$160,171.38)	\$2.02 (\$172,099.03)	\$0.14	\$11,927.65
Gasoline	78,425.76	\$1.75 (\$137,245.08)	\$1.93 (\$151,361.72)	\$0.18	\$14,116.64
Totals	163,623.30	-	-	-	\$26,044.29

During the 2021/22 winter season, the City's fueling infrastructure experienced a mechanical problem which resulted in unreliable fuel delivery services. Staff were able to mitigate the issue temporarily but after further diagnosis it has been determined that the 25-year-old fuel pumps and kiosk require replacement.

The following actions are now required to improve overall system reliability and to extend service life of this refueling infrastructure:

- Replace 2 existing mechanical pumps with 2 new electronic pumps each with two hose positions;
- Replace and install hanging hardware for 4 hose positions with an additional pole retractor;
- Clean and paint existing tank and appurtenances;
- Remove existing corroded steel kiosk with low maintenance aluminum kiosk including additional shelving and space to accommodate DEF fluid dispenser for diesel powered vehicles; and,
- Complete minor electrical upgrades including power supply for the DEF fluid dispenser and improved lighting.

Other Option(s)

1. THAT the report from the Engineering and Operations Department – Solid Waste, Fleet, and Shared Services Division regarding the replacement of existing of existing fuel pumps and kiosk be received for information

If this option is approved by Council, the City's fueling system will be compromised and the City may need to revert to using local service stations or cardlocks at a higher cost.

Financial Implications

If this initiative is approved, the pump and kiosk replacements will be funded from the Equipment Replacement Reserve, a statutory reserve fund for the replacement of City equipment. Operating costs related to the ongoing operation of these assets is already included in base operating budgets. The annual contributions to the Equipment Replacement Reserve will be recalculated by the Finance department to include this new equipment. The amount of increase will be calculated based on the equipment's estimated useful life (approximately 10 years) and its future replacement costs. Based on the average savings realized during 2021 and first half of 2022, it is expected that it will take less than 20% of the annual savings resulted from the fuel pump replacement to cover the increase in annual contributions.

Communications and Civic Engagement Initiatives

No communications or civic engagement are required at this time.

Council Strategic Plan Objectives

Reducing costs to the City by replacing the existing 25 year old pumps, kiosk, and continuing with purchasing fuel through the municipal group purchasing initiative meets Strategic Plan objectives of delivering exceptional service and continued economic prosperity.

Report Author

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Report Approval Details

Document Title:	Public Works Yard – Fuel Pump Replacement and Improvements.docx
Attachments:	
Final Approval Date:	Jul 18, 2022

This report and all of its attachments were approved and signed as outlined below:

Jeff Moi, General Manager of Engineering and Operations - Jul 13, 2022 - 2:43 PM

Lindsay Todd for Rosemary Lodge, Manager of Communications and Engagement -
Jul 14, 2022 - 9:36 AM

Paul Rockwood, General Manager of Finance and Technology - Jul 14, 2022 - 9:51 AM

Tim Savoie, City Manager - Jul 18, 2022 - 11:09 AM