



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** February 13, 2026
From: Suzanne Bycraft **File:** 03-1000-01/2025-Vol
 Director, Public Works 01
Re: Fuel Purchases Agreement - 4Refuel Canada LP

Staff Recommendations

1. That the Chief Administrative Officer and General Manager, Engineering & Public Works, be authorized to negotiate and execute a fuel supply and delivery contract with 4Refuel Canada LP for a five-year term, as outlined in the staff report titled “Fuel Purchases Agreement – 4Refuel Canada LP” dated February 13, 2026, from the Director, Public Works; and
2. That the Chief Administrative Officer and General Manager, Engineering & Public Works, be authorized to negotiate and execute up to two additional one-year extensions of the fuel supply and delivery contract with 4Refuel Canada LP, as outlined in the staff report titled “Fuel Purchases Agreement – 4Refuel Canada LP” dated February 13, 2026, from the Director, Public Works.

Suzanne Bycraft
 Director, Public Works
 (604-233-3338)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Department	<input checked="" type="checkbox"/>	
Purchasing	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Richmond Fire Rescue	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The City participates in the BC Petroleum Products Buying Group (“the BCPPBG”) for fuel purchases for all City operations. The BCPPBG is a buying consortium for fuel purchases, which allows the City to receive the benefits of economies of scale, process and information for all City fueling operations (Public Works Yard, Fire halls, etc.). The current supplier arrangement, approved by Council on January 28, 2019, is expiring in April, 2026. Therefore, a competitive bid process was undertaken via the buying consortium.

This report recommends that the City of Richmond enter into an agreement with 4Refuel Canada LP (the “Supply and Delivery of Fuels Agreement”) under the terms and conditions contemplated through the BCPPBG consortium competitive bid process.

This report supports Council’s Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.2 Seek improvements and efficiencies in all aspects of City business.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

Background

The City of Vancouver is the lead agency coordinating the competitive bid process on behalf of the BCPPBG. The City of Vancouver issued Request for Proposal No. PS20240941 (Supply and Delivery of Fuels) on December 17, 2024. There were six bid respondents. The City of Vancouver’s evaluation team concluded that the proposal submitted by 4Refuel Canada LP best meets the BCPPBG’s requirements and provides best overall value. The City of Vancouver followed their standard procurement methods in this tender process. Key criteria considered included technical, sustainability and financial requirements. Richmond staff are in agreement with the methodology applied.

The current fuel purchase supplier is Suncor Energy Products Partnerships (“Suncor”) under BCPPBG Contract No. PS20180305. The contract with Suncor commenced March 4, 2019, and continues pending 30 days written notice to cancel the contract. This notice will be provided by the City of Vancouver to Suncor once the new Supply and Delivery of Fuels Agreement is signed. The City of Richmond is coordinating efforts to align with that of the City of Vancouver for contract commencement. The consortium approach offers the ability to negotiate more favourable terms than if the City were to independently seek a fueling arrangement since more than 30 million litres of combined fuel is purchased annually. The recommended supplier,

4Refuel Canada LP, is proven in the industry and the City has no concerns with their ability to service the City's fueling needs.

Fuel Consumption

The City of Richmond has 10 fueling tanks, three located at the City Works Yard and one at each of the seven fire hall stations. These are used for fueling all gasoline and diesel-powered City vehicles and equipment. Fuelling services at the Works Yard are also made available to the Richmond RCMP and Richmond School Board on a cost-recovery basis. Richmond RCMP generally fuel at gas stations under separate federal arrangements and only fuel at the Works Yard when needed. The supply of propane is managed through a separate agreement not associated to the BCPPBG.

The City used an average of 1.4 million litres of fuel per year over the last three years, consisting of gasoline and diesel as shown in Table 1 below.

Table 1: Three-Year Fuel Consumption Analysis (Litres)

Business Unit	2023			2024			2025		
	Diesel	Gas	Total	Diesel	Gas	Total	Diesel	Gas	Total
City	485,952	576,335	1,062,287	494,859	572,192	1,067,051	457,395	590,687	1,048,082
Richmond Fire ¹	131,759	14,693	146,452	136,034	14,406	150,440	128,413	13,278	141,691
RCMP	47	3,123	3,170	170	15,399	15,569	0	21,849	21,849
School Board	100,599	72,972	173,571	99,601	79,024	178,625	95,508	79,377	174,885
TOTAL	718,357	667,123	1,385,480	730,664	681,021	1,411,685	681,316	705,191	1,386,507

¹ Richmond Fire has a fuelling tank at each of the fire halls and manages fuel purchases and consumption but can fuel at the Works Yard if required.

BCPPBG Fuel Purchases Contract

Key terms of the Supply and Delivery of Fuels Agreement include:

1. Contract term is five years, with the option to extend for two additional one-year terms.
2. Costing is based on a structure which adjusts for variations in fuel pricing as follows:
 - a. Regional weekly rack rate for diesel and gasoline products. The weekly rack rate is the price refineries sell fuel to their various clients, which varies based on fuel commodity market pricing.
 - b. Less a fixed discount for diesel and gasoline products. The discount remains fixed for the entire term of the agreement.
 - c. Plus bridging fees which includes items such as freight from the terminal, the terminal operations cost and delivery to the City of Richmond. Under the terms

of the Supply and Delivery of Fuels Agreement, the bridging fee will be fixed for the term of the contract.

Expected savings to the City under the Supply and Delivery of Fuels Agreement compared to what consumers would pay at fuelling stations vary depending on commodity pricing but are generally between 4%-6%. Rates vary due to the weekly rack rate changes, which are subject to the commodity price.

Financial Impact

Annual costs for fuel vary based on commodity pricing and consumption. Fuel expenditures in 2025 were approximately \$1,600,000 for City operations and \$200,000 for Richmond Fire Rescue, for a total of \$1,800,000. Given the volatility of fuel pricing (i.e. weekly rack rate), annual budget estimates are based on previous year fuel prices and consumption data. Based on consumption, adequate funding is included in the respective operating budgets for Fleet Operations and Richmond Fire Rescue.

Conclusion

The BCPPBG consortium approach for gasoline and diesel fuel purchases achieves economies of scale through a large-scale purchasing approach, thereby representing best value. The proposal by 4Refuel represents best value, as determined through the competitive bid process administered by the City of Vancouver on behalf of BCPPBG participants.

This report recommends that the City enter into the Supply and Delivery of Fuels Agreement with 4Refuel under the terms and conditions contemplated under City of Vancouver Request for Proposals No. PS20240941 Supply and Delivery of Fuels.



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