

**ADDENDUM # 4
For RFP # 6054**

TO: All Bidders

FROM: Island Waste Management Corporation

DATE: May 24, 2023

SUBJECT: Questions and Responses

QUESTION

We would like to pose the following question respecting Section 7.3 Fuel Escalation. Part (a) states that a fuel price will be provided two weeks before the submission date for the tender and that this price will include all federal, provincial and carbon taxes except HST. Please confirm that this will be provided in an addendum so that this price can be used by the proponent during its bid preparation. As well please confirm that this is the price per litre that will form the base price for the fuel for the diesel fuel price payment throughout the contract as described in this section. Finally please confirm that all changes in federal, provincial and carbon taxes will be incorporated and that all prices used in the calculation will incorporate all of these taxes except HST.

Response

IWMC confirms that:

- a) The Benchmark Diesel Fuel Price referred to in 7.3(a) will be provided via addendum two weeks prior to the submission deadline. It will include all federal and provincial taxes including a carbon levy, but will exclude HST.
- b) The Benchmark Diesel Fuel Price will be used as set out in 7.3 (b) to calculate the Diesel Fuel High Target and Diesel Fuel Low Target, which are 5% greater or lesser than the Benchmark Diesel Fuel Price respectively. Once calculated, the High and Low Target Prices will not change for the duration of the contract.
- c) The Monthly Diesel Fuel Price which is used to calculate the Contractor Diesel Fuel Payment under 7.3 (f) or the IWMC Diesel Fuel Payment under 7.3 (g) will include all federal, provincial taxes and carbon levy, but will exclude HST.

The Benchmark Diesel Fuel Price and the Monthly Diesel Fuel Price during the contract term and extensions will be based on the Published Petroleum Prices as set by Island Regulatory and Appeals Commission, which can be found at:

<https://irac.pe.ca/petrol/current-petroleum-prices/>

The specific published price which will be used will be the Minimum Diesel Self-Serve (SS) Pump Price not including HST. As of this response, the current Minimum Diesel Self-Serve Pump Price is 159.5 cents per litre, including HST. Therefore, if this was to be used for the Benchmark Diesel Fuel Price or the Monthly Diesel Fuel Price, the amount would be 138.7 cents per litre (159.5 minus HST of 20.8). A PDF of the current price as of this response and what is included, as shown on the Island Regulatory and Appeals Commission website, is attached for reference.

END OF ADDENDUM.

THIS ADDENDUM FORMS PART OF THE TENDER DOCUMENT AND MUST BE SUBMITTED WITH THE DOCUMENT.

Island Regulatory & Appeals Commission

 irac.pe.ca/petrol/current-petroleum-prices/

Petroleum Prices – May 19, 2023 – cents per litre

Self-Serve MIN

Gasoline

159.9

1.0

MIN: MAX:

159.9 161.0

Self-Serve MIN

Diesel

159.5

(N/C) 0.0

MIN: MAX:

159.5 160.6

MAXIMUM

Furnace

100.5

(N/C) 0.0

MAX:

100.5

Retail Dealer Pump Prices – All Brands – May 19, 2023

| | REGULAR Gasoline | MID-GRADE Gasoline | PREMIUM Gasoline | DIESEL |
|---------------------------------|---------------------|-----------------------|---------------------|--------|
| Period Average Rack | 97.5 | 97.5 | 97.5 | 94.4 |
| Wholesale Margin | 5.0 | 5.0 | 5.0 | 5.0 |
| Forward Averaging Adjustment | 0.0 | 0.0 | 0.0 | 0.7 |

| | | | | | | | | |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Grade Price Premium | -- | | 3.5 | | 6.9 | | -- | |
| DEALER BASE PRICE | 102.5 | | 106.0 | | 109.4 | | 100.1 | |
| Federal Excise Tax | 10.0 | | 10.0 | | 10.0 | | 4.0 | |
| PE Provincial Tax | 8.47 | | 8.47 | | 8.47 | | 14.15 | |
| Carbon Levy | 11.05 | | 11.05 | | 11.05 | | 13.41 | |
| WHOLESALE PRICE | 132.0 | | 135.5 | | 138.9 | | 131.7 | |
| SELF-SERVE (SS) | MIN | MAX | MIN | MAX | MIN | MAX | MIN | MAX |
| Retail Margin | 7.0 | 8.0 | 7.0 | 8.0 | 7.0 | 8.0 | 7.0 | 8.0 |
| HST (15%) | 20.9 | 21.0 | 21.4 | 21.5 | 21.9 | 22.0 | 20.8 | 20.9 |
| PUMP PRICE (SS) | 159.9 | 161.0 | 163.9 | 165.0 | 167.8 | 168.9 | 159.5 | 160.6 |
| FULL-SERVE (FS) | MIN | MAX | MIN | MAX | MIN | MAX | MIN | MAX |
| Retail Margin | 7.0 | 10.5 | 7.0 | 10.5 | 7.0 | 10.5 | 7.0 | 10.5 |
| HST (15%) | 20.9 | 21.4 | 21.4 | 21.9 | 21.9 | 22.4 | 20.8 | 21.3 |
| PUMP PRICE (FS) | 159.9 | 163.9 | 163.9 | 167.9 | 167.8 | 171.8 | 159.5 | 163.5 |

Retail outlets may price anywhere within the above MIN and MAX ranges.

Furnace Oil – May 19, 2023

| | PRICE |
|------------------------------|-------|
| Period Average Rack | 76.4 |
| Wholesale & Retail Margin | 21.5 |
| Forward Averaging Adjustment | -2.2 |
| Maximum Price (Before Tax) | 95.7 |
| Tax (5%) | 4.8 |
| Maximum Price (After Tax) | 100.5 |

Propane Prices – May 19, 2023

MAXIMUM PRICES (EX. TAX)

Consumer and Commercial Delivery
Maximum Price (Cents per Litre)

| | Irving Energy Distribution and Marketing | Kenmac Energy Inc. | Superior Plus Inc. | Parkland Fuel Corporation | Noonan Petroleum Ltd. |
|--|--|--------------------------|-----------------------|---------------------------------|-----------------------------|
| | 4.0 | 4.5 | 3.6 | 3.4 | 4.5 |
| Bulk Propane | 82 | 81.5 | 83.4 | 84.8 | 81.5 |
| Dispensing Units | 76 | 75.5 | 77.9 | | 75.5 |
| Carburation and Portable Cylinders | 86.1 | 85.6 | | | 85.6 |

[View Maximum Consumer Price Schedule](#)

[View Related Pricing Order](#)

[View Related Notice – \(Version française\)](#)

Petroleum Pricing Schedule:

Price adjustments on gas, diesel, and furnace oil take effect at 12:01 a.m. every Friday.

Price adjustments on propane take effect at 12:01 a.m. every second Friday.