



## **ADMINISTRATION POLICY:**

### **Fuel Storage and Operations Policy**

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**Policy Number:** GN-038  
**ALT Report:** ALT2013-0547  
**Approved By:** Administration Leadership Team  
**Effective Date:** 2013/11/12  
**Next Revision Due:** 2016/11/12  
**Department / BU:** Chief Financial Officer's Department / Finance & Supply  
(Supply Management)

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#### **BACKGROUND**

The City of Calgary procures, stores and uses fuel to meet service delivery needs. The City aims to provide fuel with the lowest possible cost structure while maintaining the highest possible service level to its internal customers. The City maintains emergency fuel storage to allow for continuity of essential services in an emergency.

Centralized fuel management is required to effectively and efficiently manage this process, meet its goals and reduce any potential environmental or safety liability associated with operating fuel sites.

#### **PURPOSE**

The purpose of this administration policy is to identify and define the operating principles and the roles and responsibilities of stakeholders and users of The City's fuel management system.

#### **DEFINITIONS**

Refer to Appendix A for definitions.

## **INTENDED OUTCOMES OF THIS POLICY**

This policy is intended to:

1. Ensure The City has a sufficient supply of fuel to meet its operational needs on an ongoing basis and to allow for the continuity of essential services at all times, including during an emergency;
2. Ensure The City's compliance with applicable environmental, health and safety legislation and requirements; and
3. Provide for the efficient, effective and safe management of fuel at The City.

## **POLICY STATEMENTS**

### **1.0. Scope/Exceptions**

This Administration policy applies to all business units and individual fuel site users involved in City fuel management activities.

### **2.0. Principles of Fuel Management**

- 2.1. The City shall conduct fuel management activities in accordance with this policy, its associated standard operating procedures and related documents.
- 2.2. Sufficient fuel resources shall be available to meet operational needs on an ongoing basis. The City shall maintain sufficient fuel resources and capacity to allow for the continuity of essential services in an emergency.
- 2.3. Fuel management activities shall be carried out in accordance with applicable environmental and safety legislation and regulations.

### **3.0. General Roles & Responsibilities**

- 3.1. Finance & Supply owns and maintains this policy and is responsible for the overall management of fuel and used oil at The City.
- 3.2. Environmental & Safety Management shall provide advisory and review services regarding environmental and safety issues in fuel management.
- 3.3. Business units and individual fuel site users shall comply with the content and intent of this policy, its associated standard operating procedures and related documents.
- 3.4. The specific fuel management roles and responsibilities of the fuel site stakeholders and users are detailed in Appendix A.

#### **4.0. The Fuel Management Committee**

- 4.1. The Fuel Management Committee (FMC) shall provide leadership, accountability, corporate strategic alignment and stakeholder involvement in major fuel management planning and decision-making processes.
- 4.2. The FMC's responsibilities include fuel management capital planning and needs assessment, approval of fuel site contractors and periodic reporting on fuel management. Refer to Appendix A for further information.
- 4.3. The FMC reports to the Chief Financial Officer or designate.
- 4.4. The FMC is chaired by the Manager of Supply or designate and consists of representatives from major stakeholder departments. A membership list is located in Appendix B.

#### **5.0. Sub-Committees of the Fuel Management Committee**

- 5.1. The FMC will establish and appoint representatives to two sub-committees, which will be under the FMC's overall direction.
- 5.2. The Strategic Planning Sub-Committee will establish strategic planning processes for, but not limited to, the following:
  - 5.2.1. Long-term maintenance programs and capital allocation;
  - 5.2.2. Future capital requirements to meet the growth and upgrade requirements of the fuel management system; and
  - 5.2.3. Ensuring alignment with corporate sustainability policies, objectives and targets.
- 5.3. The Fuel Sub-Committee shall communicate or meet as required to execute its mandate, which includes, but is not limited to, the following:
  - 5.3.1. The allocation of funding to business units for higher-than-baseline fuel prices; and
  - 5.3.2. To review and initiate price lock-in strategies for both diesel and gasoline fuel.

#### **6.0. Financial Management**

- 6.1. Finance & Supply will be responsible for all daily operating financial requirements for the fuel or used oil tanks. Expenses will be recovered through a transfer cost per litre assessed to each business unit.

**6.2.** Financial requirements for major fuel management capital and non-recurring operating expenses will be identified by the Strategic Planning Sub-Committee and submitted to the FMC for consideration and approval.

6.2.1. If approved, the FMC will submit these requirements to Finance & Supply for further consideration in accordance with The City's capital funding and budget processes.

## **7.0. Consequences of Non-Compliance**

Failure to adhere to this policy may result in disciplinary action, up to and including dismissal. Business units will be responsible to take appropriate action in the event of non-compliance by one of their employees.

## SUPPORTING REFERENCES AND RESOURCES

Please note that some of the items listed below may not be publicly available.

### References to related corporate-wide procedures, forms and resources

- Appendix A: Roles & Responsibilities of Fuel Site Stakeholders & Users
- Appendix B: Fuel Management Committee Membership List
- Fuel Site Spill Procedures
- [Substance Release Report Form \(X 217\)](#)
- [Corporate Substance Release Reporting Program](#)
- [Contamination Discovery Response Procedure](#)
- [Supply Fuel Management Standard Operating Procedures intranet site](#)
- [Triple Bottom Line Policy Framework](#)
- [City of Calgary 2020 Sustainability Direction](#)

### References to related [Council policies](#), bylaws and [administration policies](#)

Not applicable

### Other references and resources

- Province of Alberta, Environmental Protection and Enhancement Act, Sec. 110
- Province of Alberta, Environmental Protection and Enhancement Act, Release Reporting
- CAN/CSA-Z769-00 (R2008) – Phase II Environmental Site Assessment
- [Petroleum Tank Management Association of Alberta \(PTMAA\)](#)

## REVISION HISTORY

Review Date	Description

## **1.0. APPENDIX A: ROLES & RESPONSIBILITIES OF FUEL SITE STAKEHOLDERS AND USERS**

### **1.1. Definitions**

- 1.1.1. Decommission – Any permanent removal of fuel or used oil tanks.
- 1.1.2. Environmental Site Assessment – An environmental assessment conducted to the CSA standard Z769-00, 'Phase II Environmental Site Assessment'.
- 1.1.3. Fuel – Refers to all gasoline, diesel, marked diesel, renewable diesel and compressed or liquefied natural gas purchased and consumed by The City.
- 1.1.4. Fuel Management – The management of all aspects of fuel and used oil. Fuel management activities include, but are not limited to, the following: fuel usage; fuel procurement, planning, delivery, storage and recycling; the operation of fuel-related computer systems; the use of fuel procurement cards; protection of the environment and worker safety as it relates to fuel; and, if necessary, disposal of waste fuel and oil.
- 1.1.5. Fuel or used oil tank – Any aboveground fuel or used oil tank system with a capacity greater than 2,500 litres or an underground storage tank of any size.
- 1.1.6. Fuel System – The storage tanks, piping, dispensers, measurement/monitoring systems and fuel.
- 1.1.7. PTMAA – The Petroleum Tank Management Association of Alberta.

### **1.2. Fuel Management Committee**

- 1.2.1. Members of the FMC may be called upon to participate in the evaluation committee for fuel-related procurements.
- 1.2.2. The FMC will assess the need and business case justification for new fuel and used oil system installations and decommissioning. A request can be approved or declined based upon the business case, environmental, safety or planning concerns. The FMC will determine and assign project management as required.
- 1.2.3. The FMC will approve any consultants/contractors to be working on the fuel storage sites, ensuring that they are PTMAA certified.

### **1.3. Finance & Supply**

- 1.3.1. Finance & Supply owns and maintains this policy and is responsible for the overall management of fuel and used oil at The City.
- 1.3.2. F&S shall chair the Fuel Management Committee.
- 1.3.3. F&S shall ensure all City fuel storage and used oil sites are properly managed in alignment with City standard operating procedures.
- 1.3.4. F&S shall develop and maintain a strategic fuel management plan, which is to be reviewed and updated in line with The City's multi-year budgeting cycle.
- 1.3.5. F&S shall conduct all fuel management contract negotiations with applicable vendors.
- 1.3.6. F&S is responsible for all fuel purchase card programs with regards to contract management and card approvals.
- 1.3.7. F&S shall provide reports on fuel system operations and market/industry updates as required or requested.
- 1.3.8. F&S shall establish and communicate all standard operating procedures throughout the fuel storage and used oil site system.
- 1.3.9. F&S shall ensure that all locations provide the necessary supply of fuel to all operating business units when and where needed.
- 1.3.10. F&S shall ensure the availability of fuel supplies for essential services at all times, particularly in the event of an emergency.
- 1.3.11. F&S shall ensure all City fuel or used oil storage tanks are maintained so that environmental and occupational health and safety (OHS) concerns are mitigated and managed.
- 1.3.12. F&S shall coordinate the registration of new fuel or used oil tanks with the PTMAA and submit annual PTMAA renewals for all fuel or used oil tanks operated by Supply Management.

## **1.4. Environmental & Safety Management**

- 1.4.1. Environmental & Safety Management (ESM) shall provide representation on the Fuel Management Committee.
- 1.4.2. ESM shall Conduct Environmental Site Assessments of fuel or used oil storage tanks when necessary.
- 1.4.3. ESM shall develop and manage a remedial action plan or risk management plan when contamination concerns have been identified.
- 1.4.4. ESM shall communicate the Environmental Site Assessment reports and remedial action or risk management plans to the Fuel Management Committee for review and further direction where necessary.
- 1.4.5. ESM shall provide the Fuel Management Committee with updates on current and emerging environmental legislation regarding fuel management.
- 1.4.6. ESM shall review and advise on environmental and occupational health and safety aspects of standard operating procedures as requested.

## **1.5. Business Units that Require the Use of Fuel**

- 1.5.1. Major users will provide a representative to the Fuel Management Committee (refer to Appendix B).
- 1.5.2. Business units shall submit all requests for additional fuel or used oil tanks, upgrades and decommissioning to the FMC for their review and approval prior to any action being taken.
- 1.5.3. Current fuel or used oil tank operators or requesting Business Units may maintain responsibility for daily operational functions at their sites subject to agreement by the FMC.
- 1.5.4. All environmental or potential environmental and safety incidents will be reported in accordance with current City standard operating procedures and policies. This includes ensuring that appropriate internal procedures for substance releases and discovery of contamination are followed.
- 1.5.5. For locations where the Business Unit has maintained the daily operational functions of a fuel or used oil tank, they will coordinate the registration of new tanks and the annual PTMAA renewals with PTMAA.

## **1.6. Individual Fuel Site Users**

- 1.6.1. All users of The City's Fuel Management System shall do so in accordance with the content and intent of this policy and its associated standard operating procedures and related documents.

## **APPENDIX B: FUEL MANAGEMENT COMMITTEE MEMBERSHIP**

- 1.1. As chosen by the General Manager of each Department.