



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 10, 2013  
Action Item for the City Council Meeting of December 17, 2013

**DATE:** 12/10/2013

**TO:** Ronald L. Olson, City Manager

**FROM:** Michael Barrera, Assistant Director of Financial Services  
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### Supply Agreement for Reformulated Gasoline and Ultra-low Sulfur Diesel Fuel

**CAPTION:**

Motion approving a supply agreement with Oil Patch Petroleum, Inc., Corpus Christi, Texas for reformulated gasoline and ultra-low sulfur diesel fuel in accordance with Bid Invitation No. BI-0030-14, based on lowest local bid for an estimated twelve month expenditure of \$4,635,554.65 of which \$3,090,369.77 is required for the remainder of FY 2013-2014. The term of the agreement will be for twelve months with options to extend for up to two additional twelve-month periods, subject to the approval of the suppliers and the City Manager, or designee. Funds have been budgeted by Maintenance Services and the Aviation Department in FY 2013-2014.

**PURPOSE:**

This contract covers the fuel requirements for City vehicles and equipment. The reformulated gasoline and ultra-low sulfur diesel are delivered in bulk to the City facilities.

**BACKGROUND AND FINDINGS:**

These fuel contracts will be used to service the City's Fleet of vehicles and equipment. The vast majority of the fuel is delivered in bulk to the City's Service Center located at 5352 Ayers Street and 474 Pinson Drive.

**ALTERNATIVES:**

Not applicable.

**OTHER CONSIDERATIONS:**

The recommended award is based on Section 26 of the Council Policies of the City of Corpus Christi Code of Ordinance. The ordinance provides for local preference when the local bidder is within 3% of a non local bidder.

**CONFORMITY TO CITY POLICY:**

This purchase conforms to the City’s purchasing policies and procedures and Texas State procurement laws.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency.

**DEPARTMENTAL CLEARANCES:**

Aviation Department and Maintenance Services

**FINANCIAL IMPACT:**

X Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2013-2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$6,664,289.75	\$1,545,184.88	\$8,209,474.63
Encumbered / Expended Amount		\$403,360.44		\$403,360.44
This item		\$3,090,369.77	\$1,545,184.88	\$4,635,554.65
BALANCE		\$3,170,559.54		\$3,170,559.54

Fund(s): Aviation Fund and Maintenance Services Fund

**Comments:**

The \$3,090,369.77 financial impact shown above represents eight months of expenditures that will be encumbered through the end of this fiscal year. The remaining \$1,545,184.88 represents 4 months of expenditure that will be requested during the normal FY 2014-2015 budget approval process.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation.