



AGENDA MEMORANDUM

Action Item for the City Council Meeting of May 25, 2021

DATE: May 18, 2021

TO: Peter Zaroni, City Manager

FROM: Charles Mendoza, Director of Asset Management
CharlesM2@cctexas.com
(361) 826-1941

Josh Chronley, Interim Assistant Director of Contracts and Procurement
JoshC2@cctexas.com
(361) 826-3169

Unleaded Gasoline, Ultra-Low Sulfur Diesel Fuel and Dye Diesel Delivery Service

CAPTION:

Motion authorizing a three-year service agreement with Mansfield Oil Company of Gainesville, Inc. of Gainesville, Georgia in an amount not to exceed \$8,577,616.83 for unleaded gasoline, ultra-low sulfur diesel fuel and dye diesel delivery services, effective upon issuance of notice to proceed, with FY 2021 in an amount of \$1,191,336.00 available in the Fleet Maintenance Service Fund.

SUMMARY:

This service agreement will provide unleaded gasoline, ultra-low sulfur diesel fuel and dye diesel delivery services to multiple City locations throughout the city. The Mansfield Oil Company headquarters at 1025 Airport Parkway S.W., Gainesville, Georgia and has a Texas Office at 820 Gessner Road Suite 1770, in Houston, Texas.

BACKGROUND AND FINDINGS:

Unleaded gasoline, ultra-low sulfur diesel fuel and dye diesel delivery services will be provided to nine City owned sites located throughout the city on as-need basis. The City has a current three-year service agreement with Petroleum Trader Corporation located at 7120 Pointe Inverness Way, Fort Wayne, Indiana, for a cost of \$8,957,987.00. The new proposed three-year service agreement represents a 4.2% savings.

PROCUREMENT DETAIL

Contracts and Procurement conducted a competitive Request for Bid process to obtain bids for a new contract. The City received ten bids that were deemed responsive and responsible. The bids were evaluated based on lowest price and is recommending the award to the lowest responsive, responsible bidder, Mansfield Oil Company of Gainesville, Georgia.

ALTERNATIVES:

An alternative would be not to secure a long-term service agreement. However, the Asset Management Department would have to purchase unleaded gasoline, ultra-low sulfur diesel (TX LED) fuel and dye diesel delivery services on an as needed basis on individual purchase orders, which would not be as productive and would be much more time consuming. In addition, a long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Asset Management in FY 2021 is estimated at \$1,191,336.00 for this three-year service agreement. The remaining amount will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	5110 Fleet Maintenance Service Fund
Organization/Activity:	40140 Service Station
Mission Element:	202 Maintain the Fleet
Project # (CIP Only):	N/A
Account:	520210 Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this motion authorizing a three-year service agreement with Mansfield Oil Company of Gainesville, Georgia for the purchase of unleaded gasoline, ultra-low sulfur diesel fuel and dye diesel delivery services as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Bid Tabulation