



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of August 22, 2017  
Action Item for the City Council Meeting of August 29, 2017

**DATE:** August 22, 2017

**TO:** Margie C. Rose, City Manager

**FROM:** Jim Davis, Director of Fleet Maintenance  
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<b>Standard Gasoline &amp; Ultra-Low Sulfur Diesel with Fuel Cards</b>
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### **CAPTION:**

Motion authorizing City Manager, or designee, to execute an agreement with Valero Marketing and Supply Company, of San Antonio, Texas for the purchase of standard gasoline & ultra-low sulfur diesel with fuel cards in response to Request for Bid No. 701 based on the lowest responsive, responsible bid for a total amount not to exceed \$2,999,174.78, with an estimated expenditure of \$249,931.23 funded by various funds in FY 2016-2017. The term of the agreement is for one year with an option to extend for up to two additional one-year periods, subject to the sole discretion of the City.

### **PURPOSE:**

This supply agreement is for issuing of fuel cards, by Fleet Maintenance, for standard gasoline & ultra-low sulfur diesel fuel to be purchased at commercial locations for the various City Departments; and Fire and Police Departments.

### **BACKGROUND AND FINDINGS:**

Valero Marketing and Supply Company will provide fuel cards to the Fleet Department for distribution of fuel cards to remote City departments, and Fire and Police Departments. The use of the fuel card allows various City entities to purchase fuel at remote locations throughout the city which will result in savings. Units will not have to drive to the City's service station for fuel when performing their job duties. The fuel card prices are comparable to those rates charged by the delivery fuel supplier for the City service station.

The Purchasing Division conducted a competitive Request for Bid process to obtain bids for a new contract. The City received one responsive, responsible bid and is

recommending the award to the lowest responsive, responsible bidder, Valero Marketing and Supply Company.

**ALTERNATIVES:**

Not applicable.

**OTHER CONSIDERATIONS:**

Not applicable.

**CONFORMITY TO CITY POLICY:**

These purchases conform to the City's purchasing policies and procedures and State statutes regulating procurement.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency.

**DEPARTMENTAL CLEARANCES:**

Fleet Maintenance Services and Fire

**FINANCIAL IMPACT:**

☒ Operating      ☐ Revenue      ☐ Capital      ☐ Not applicable

<b>Fiscal Year: 2016-2017</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget	\$990,699.49	\$2,749,243.55	\$3,739,943.04
Encumbered / Expended Amount	\$396,213.00	\$0.00	\$396,213.00
This item	\$249,931.23	\$2,749,243.55	\$2,999,174.78
BALANCE	\$344,555.26	\$0.00	\$344,555.26

Fund(s): General Fund, LEPC, and Fleet Maintenance Services

**Comments:** The initial contract is for an amount not to exceed \$2,999,174.78, with an estimated expenditure of \$249,931.23 funded in FY2016-2017. The total estimated contract value will be \$8,997,524.34 if all option years are executed. Future expenses will be requested during the normal budget process.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement  
Form 1295