



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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| Unleaded Gasoline & Ultra-Low Sulfur Diesel (TX LED) Fuel Delivery Service |
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CAPTION:

Motion authorizing City Manager, or designee, to execute a service agreement with Petroleum Traders Corporation, of Fort Wayne, Indiana for unleaded gasoline and ultra-low sulfur diesel (TX LED) fuel delivery services, in accordance with Request for Bid No. 1178, based on the lowest responsive, responsible bid for a total amount not to exceed \$2,559,424.88 with an estimated expenditure of \$427,000.00 in FY 2016-2017. The term of this contract will be for one year with options to extend for two additional one-year periods at the sole discretion of the City.

PURPOSE:

This service agreement will provide unleaded gasoline & ultra-low sulfur diesel (TX LED) fuel delivery services to multiple City locations throughout the city.

BACKGROUND AND FINDINGS:

Unleaded gasoline & ultra-low sulfur diesel (TX LED) fuel delivery services will be provided to nine City owned sites located throughout the city on as-need basis.

The Purchasing Division conducted a competitive Request for Bid process to obtain bids for a new contract. The City received two 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, Petroleum Traders Corporation.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Fleet Maintenance

FINANCIAL IMPACT:

☒ Operating ☐ Revenue ☐ Capital ☐ Not applicable

| Fiscal Year: 2016-2017 | Current Year | Future Years | TOTALS |
|-----------------------------------|---------------------|---------------------|----------------|
| Line Item Budget | \$6,300,429.37 | \$2,132,424.88 | \$8,432,854.25 |
| Encumbered / Expended Amount | \$1,885,928.78 | \$0.00 | \$1,885,928.78 |
| This item | \$427,000.00 | \$2,132,424.88 | \$2,559,424.88 |
| BALANCE | \$3,987,500.59 | \$0.00 | \$3,987,500.59 |

Fund(s): Water, General Fund, Wastewater, Fleet Maintenance Services, Storm Water and Airport

Comments: The initial contract term is a total amount not to exceed \$2,559,424.88, with an estimated expenditure of \$427,000.00 is funded in FY2016-2017. The remaining balance of \$2,132,424.88 will be requested in future year's budget. The total contract value will be \$7,678,274.64 if all option years are executed.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service Agreement
Form 1295