



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of June 18, 2019

**DATE:** June 18, 2019

**TO:** Peter Zaroni, City Manager

**FROM:** Jim Davis, Director of Asset Management  
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<b>Amendment No. 2 to Unleaded Gasoline &amp; Ultra-Low Sulfur Diesel (TX LED) Fuel Delivery Service</b>
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**CAPTION:**

Motion authorizing an amendment to an existing contract for unleaded gasoline and ultra-low sulfur diesel (TX LED) fuel delivery service with Petroleum Traders Corporation of Fort Wayne, Indiana for a total amount not to exceed \$1,279,712.44, and a revised value of the service agreement to not exceed \$6,398,562.20 funded through the Fleet Maintenance Service Fund.

**PURPOSE:**

This item is to approve an amendment to increase the value of a contract for unleaded gasoline and diesel fuel for the Fleet Maintenance Division.

**BACKGROUND AND FINDINGS:**

The services provided in service agreement No. 1178 include unleaded gasoline and ultra-low sulfur diesel (TX LED) fuel delivery services to nine City owned sites located throughout the City on an as-needed basis. This amendment will allow for an increased total contract value due to the unanticipated fuel costs.

The contract was procured through a competitive RFB process in 2017 and is currently in option year one of two. The contract is limited to approximately \$2.6 million per year. The price for Unleaded gasoline at the time of award was \$1.66 per gallon. It is now \$1.92 per gallon, an increase of 16%. The price of Ultra-low sulfur Diesel was \$1.61 per

gallon. It is now \$2.14 per gallon, an increase of 33%.

**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:**

X Operating      ☐ Revenue      ☐ Capital      ☐ Not applicable

<b>Fiscal Year: 2018-2019</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget	\$4,000,000.00	\$19,712.44	\$4,019,712.44
Encumbered / Expended Amount	\$1,590,064.54	\$0	\$1,590,064.54
This item	\$1,260,000.00	\$19,712.44	\$1,279,712.44
BALANCE	\$1,149,935.46	\$0	\$1,149,935.46

**Funding Detail:**

Fund: 5110 Fleet Maintenance Service  
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 the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Amendment No. 2  
Service Agreement