



Legislation Text

File #: 21-0127, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Option Year Two to Contract 18-025, Motor Fuel, to Luke Oil for an amount not to exceed \$876,500

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The purpose of this contract is to provide diesel and unleaded motor fuel for the City's fleet of vehicles.

The Department of Public Works - Fleet Services (DPW) manages the fuel supply for the City's fleet. Fleet vehicles are used by all departments and consume approximately 250,000 gallons of regular unleaded gasoline and 115,000 gallons of diesel motor fuel per year. It should be noted that the consumption totals also include fuel provided to other governmental agencies such as School District 203 and 204, Nichols Library and Naper Settlement. The City's fuel management system tracks fuel gallons dispensed into each vehicle. Fleet Services runs monthly reports in order to bill those agencies for fuel usage plus a City administrative fee of \$0.076 per gallon.

In July 2018, the City Council awarded Contract 18-025 for motor fuel to Luke Oil for an 18-month term with three, one-year options to extend. The first option year was approved on February 4, 2020.

The Bid Worksheet is attached.

DISCUSSION:

During the first extension of the contract, Luke Oil was immediately responsive to all motor fuel order requests. With few exceptions, fuel was delivered within one business day of order placement. In the event Luke Oil could not deliver within one business day they immediately responded with the reason (usually terminal supply-related) and the timeframe when the delivery would be available.

Based upon the vendor's performance, DPW recommends extending the contract for the second option year. Luke Oil has agreed to maintain the rates and terms provided for under the contract.

The term of the second option year is April 1, 2021 to March 31, 2022, with one option year

remaining on the agreement.

FISCAL IMPACT:

CIP #: N/A

Motor fuel is expensed to the fuel account listed below. A total of \$1,026,500 is budgeted for fuel in 2021. The requested award of \$876,500 is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
31351100-541403	General Fund	\$1,125,500