



Legislation Text

File #: 18-122, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Bid 18-022, Motor Fuel Tank Wagon, to Heritage FS, Inc. for an amount not to exceed \$599,053.80 and for a three-year term.

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The motor fuel tank wagon contract covers the supply of fuel for the City's above ground tanks. There is a separate contract for fuel received for underground tanks. The Department of Public Works' Fleet Services Division provides approximately 45,000 gallons of gasoline and 40,000 gallons of diesel fuel through the Springbrook Fuel Site aboveground tanks. In addition, the contract covers 10,000 gallons of off-road diesel fuel for standby generators.

The bid price per gallon is based on wholesale fuel prices per gallon on a specified date as published in the daily Oil Price Information Service (OPIS), plus the markup per gallon for delivery and profit.

DISCUSSION:

Advertisement Date:	02/14/18	Notices Sent:	26
Opening Date:	03/02/18	Planholders:	6
		Proposals Received:	3

The following bids were received:

Company Name	Proposed Cost	Mark-up/Gallon
Heritage FS, Inc.	\$599,053.80	\$0.1130
Feece Oil Company	\$608,341.80	\$0.149
Bell Fuels, Inc.	\$647,538.00	\$0.22/\$0.80*

* \$0.22 for regular grade and on-road diesel; \$0.80 for off-road diesel.

The mark-up per gallon has increased \$0.0130 since this contract was previously bid in 2013. The contract term is April 1, 2018 through March 31, 2021 with two, one-year options to extend the contract.

FISCAL IMPACT:

CIP #: N/A

Motor Fuel Tank Wagon is expensed to the fuel account below. The Department of Public Works has budgeted \$2.10 per gallon for gasoline and \$2.00 per gallon for diesel. A total of \$1,013,000 has been budgeted for fuel for the above ground and underground tanks in CY2018. The requested award of \$599,053.80 amount is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
31351100-541403	General Fund	\$1,114,000