



Legislation Text

File #: 22-0447, Version: 1

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the award of Change Order #1 to Option Year One of Contract 18-022, Motor Fuel Tank Wagon, to Heritage FS, Inc. for an amount not to exceed \$21,382.68 and a total award of \$171,382.68

**DEPARTMENT:** Department of Public Works

**SUBMITTED BY:** Richard Dublinski, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

The purpose of this contract is to supply fuel to the City's fuel storage tanks that require tank wagon delivery. The Department of Public Works Fleet Services Division provides approximately 32,000 gallons of gasoline, 25,000 gallons of diesel fuel, and 2,000 gallons of off-road diesel fuel for vehicles and standby generators with this service.

The City Council awarded Contract 18-022 to Heritage FS, Inc. on March 21, 2018 for a three-year term from April 1, 2018 to March 31, 2021 with two, one-year options to extend.

The first option year was awarded on February 16, 2021. The second and final option year was awarded on February 15, 2022. The term of the second option year is April 1, 2022 through March 31, 2023.

**DISCUSSION:**

This change order is requested to add funds to the first option year to pay the final invoices. Due to escalating fuel prices, costs for fuel exceeded the estimated award amount for the contract term. Pricing is based on a percent markup over Oil Price Information Service (OPIS) market price; the vendor had no option but to pass along the rising cost to the City.

**FISCAL IMPACT:**

CIP#: N/A

Motor Fuel Tank Wagon is expensed to the Fuel account listed below. A total of \$1,276,200 has been budgeted for fuel in 2022. The 2022 budget was increased to accommodate rising fuel costs and the requested change order of \$21,382.68 is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
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31351100-541403	General Fund	\$1,276,200
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