



Legislation Details (With Text)

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Type: Procurement Award **Status:** Agenda Ready

File created: 1/15/2020 **In control:** City Council

On agenda: 2/4/2020 **Final action:**

Title: Approve the award of Option Year One to Contract 18-025, Motor Fuel, to Luke Oil for an amount not to exceed \$1,000,000

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 2/4/2020 | 1 | City Council | approved | Pass |

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Option Year One to Contract 18-025, Motor Fuel, to Luke Oil for an amount not to exceed \$1,000,000

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

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 is noted that the consumption totals above also include fuel provided to other governmental agencies such as School Districts 203 and 204, Nichols Library and Naper Settlement. The City's fuel management system tracks fuel gallons dispensed into each vehicle. Fleet Services runs reports monthly to bill those agencies for their fuel usage plus an administrative fee of \$0.076 per gallon to use the City's fueling equipment.

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

DISCUSSION:

During the original term of the contract, Luke Oil was immediately responsive to all motor fuel order requests. Fuel was delivered within one business day of order placement with few exceptions. Whenever Luke Oil could not deliver within one business day of order placement, 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 would like to extend the contract for the first option year. Luke Oil has agreed to maintain the rates and terms provided for under the contract.

The term of the first option year is April 1, 2020 through March 31, 2021, with two, one-year options remaining on the agreement.

FISCAL IMPACT:

CIP #: N/A

Motor fuel is expensed to the fuel account listed below. A total of \$1,323,500 is budgeted for fuel in 2020. The requested award is within the budgeted amount for this expense.

| Account Number | Fund Description | Total Budget Amount |
|-----------------|------------------|---------------------|
| 31351100-541403 | General Fund | \$1,323,500 |
| | | |