



Legislation Text

File #: 22-1156, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to Option Year Two of Contract 18-022, Motor Fuel Tank Wagon, to Heritage FS, Inc., for an amount not to exceed \$70,000 and a total award of \$235,000

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

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. The purpose of this contract is to supply fuel to the City's fuel storage tanks that require tank wagon delivery.

On March 21, 2018, the City Council awarded Contract 18-022, Motor Fuel Tank Wagon, to Heritage FS for a three-year term from April 1, 2018 through March 31, 2021, with two, one-year options to extend. The first option year was awarded by City Council in February 2021 and the second option year was awarded in February 2022. The term of the second option year is April 1, 2022 to March 31, 2023, with no options remaining on the agreement.

DISCUSSION:

This Change Order is requested to add funds to the second option year to cover fuel purchases through the end of the contract term. The 2022 budget for fuel was increased by 13% in anticipation of rising fuel prices due to the pandemic. Due to several global factors, prices soared to an unprecedented high in 2022.

Throughout the year the City has regularly monitored fuel rates and compared the rates to the same month last year. In June, unleaded and diesel fuel cost 60% more than in the same period in 2021.

FISCAL IMPACT:

Motor Fuel is expensed to the fuel account below. A total of \$1,171,200 has been budgeted for fuel in 2022. The requested award of \$70,000 exceeds the amount budgeted for this expense. There are sufficient funds in the Equipment Parts account to cover this expense for 2022 and the 2023 budget will be adjusted to reflect the higher pricing.

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