



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: DECEMBER 1, 2020**

FROM: GENERAL SERVICES DEPARTMENT **WARDS: ALL**

SUBJECT: RENEWAL OF PURCHASE ORDER WITH SC COMMERCIAL LLC OF ORANGE, CA (FORMERLY KNOWN AS THE SOCO GROUP INC.) FOR PURCHASE AND DELIVERY OF FUEL PRODUCTS FOR CITY VEHICLES AND EQUIPMENT FOR THE PERIOD OF JUNE 1, 2021 THROUGH JUNE 30, 2022 IN THE AMOUNT OF \$2,216,115 IN ACCORDANCE WITH PURCHASING RESOLUTION 23256, SECTION 602 (G)

ISSUE:

Approve one additional renewal period from June 1, 2021 through June 30, 2022 with SC Commercial LLC of Orange, CA (formerly known as the SoCo Group Inc.) for purchase and delivery of fuel products for City vehicles and equipment in accordance with Purchasing Resolution 23256, Section 602 (g) for a total amount of \$2,216,115.

RECOMMENDATIONS:

That the City Council authorize the renewal of a Purchase Order with SC Commercial LLC of Orange, CA (formerly known as The SoCo Group Inc.) in the amount of \$2,216,115 for the period of June 1, 2021 through June 30, 2022, for the purchase and delivery of fuel products for City vehicles and equipment at the current pricing by mutual consent of the City and SC Commercial LLC.

BACKGROUND:

The City of Riverside Fleet Management Division maintains a variety of light and heavy-duty vehicles for multiple City departments that require fuel products. On September 13, 2011, the Riverside County Department of Purchasing and Fleet Services issued Request for Proposal #PUARC-1380 for Unleaded Fuel and Ultra Low Sulfur Diesel Fuel. The County of Riverside entered into a contract with The SoCo Group Inc. for a term ending September 30, 2016.

On August 22, 2016, the Riverside County Board of Supervisors approved Contract Amendment No. 6 with The SoCo Group Inc. for a term ending October 1, 2021, to provide fuel products for the Riverside County's Fleet.

On June 12, 2018, the City Council approved the purchase and delivery of fuel products for City vehicles and equipment with The SoCo Group Inc. for a total amount of \$1,300,000, plus 10%

change order authority in the amount of \$130,000 for a total amount of \$1,430,000 for the period of July 1, 2018 through June 30, 2019, with two additional one-year renewal periods through June 30, 2021.

Due to rising fuel usage and fuel market volatility, the 10% change order authority in the amount of \$130,000 for FY 2018/19 was exercised and on June 18, 2019, City Council approved change order number two in the amount of \$235,000 for a total revised amount of \$1,665,000 through June 30, 2019. The City Council also approved the two additional one-year renewal periods in the amount of \$1,831,500 (including 10% volatility) for FY 2019/20 and \$2,014,650 (including 10% volatility) for FY 2020/21.

DISCUSSION:

SC Commercial LLC (formerly known as The SoCo Group Inc.) has supplied fuel, lubricants and other products as needed to the City of Riverside since 2009 and has provided exceptional service. Historically the City has had difficulty with various fuel providers; therefore, extending the contract with SC Commercial LLC for an additional year will be highly beneficial.

On September 1, 2020, SC Commercial LLC agreed to extend current pricing at the current level of services, and the same terms and conditions through June 30, 2022.

Purchasing Resolution 23256, Section 602 (g) states that competitive procurement shall not be required when goods or services can be procured from a contractor who offers the same or better price, terms and conditions as the contractor previously offered as the lowest responsive bidder under competitive procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the City's Purchasing Manager, it is in the best interest of the City to do so.

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

The following table shows the purchase order history with SC Commercial LLC for fuel products for City vehicles and equipment.

Original Amount:	\$ 1,300,000
Change Order No. 1 (10%):	\$ 130,000
Subtotal	\$ 1,430,000
Change Order No. 2 (18%)	\$ 235,000
Total Year 1	\$ 1,665,000
Year 2 (including 10% volatility)	\$ 1,831,500
Year 3 (including 10% volatility)	\$ 2,014,650
Year 4 (including 10% volatility)	\$ 2,216,115

The total fiscal impact of this action is \$2,216,115. Sufficient funds are available for the first year of fueling needs in Central Garage Fund Motor Fuels & Lubricants account 2215200-426300. Amounts required for FY 2021/22 will be included in the budget request for that fiscal year.

Prepared by: Carl Carey, General Services Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moises Lopez, Deputy Director
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments: Email Confirmation