



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 28, 2022**

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

SUBJECT: PURCHASE AND DELIVERY OF FUEL PRODUCTS FOR CITY OF RIVERSIDE VEHICLES AND EQUIPMENT WITH SC COMMERCIAL, LLC IN THE TOTAL AMOUNT OF \$2,437,727 FOR FISCAL YEAR 2022/2023 WITH FOUR ONE-YEAR RENEWAL PERIOD OPTIONS

ISSUE:

Approve the purchase and delivery of fuel products for City of Riverside vehicles and equipment with SC Commercial, LLC of Orange, CA in the total amount of \$2,437,727 for Fiscal Year 2022/2023 with four one-year renewal period options.

RECOMMENDATIONS:

That the City Council:

1. Approve the purchase and delivery of fuel products for City of Riverside vehicles and equipment with SC Commercial, LLC of Orange, CA in the total amount of \$2,437,727 for Fiscal Year 2022/2023;
2. Approve four one-year renewal periods with SC Commercial, LLC for the purchase and delivery of fuel products in the amounts of \$2,681,499 for FY 2023/24, \$2,949,649 for FY 2024/25, \$3,244,614 for FY 2025/26, and \$3,569,075 for FY 2026/27 inclusive of 10% annual increases for future fuel market volatility; and
3. Authorize the City Manager, or designee, to execute all documents pursuant to this purchase including making minor and non-substantive changes, and annual renewal extensions.

BACKGROUND:

The City of Riverside (City) Fleet Management Division maintains a variety of light and heavy-duty vehicles for multiple City departments that require fuel products. On November 24, 2021, the Riverside County Department of Purchasing and Fleet Services issued Request for Proposal, RIVCO-2022-RFP-0000341, for the purchase and delivery of Unleaded Fuel and Ultra Low Sulfur Diesel Fuel. On April 1, 2022, the County of Riverside entered into a contract with SC

Commercial, LLC, PSA-0004078, for a five (5) year term, renewed annually, ending March 31, 2027.

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, entering a contract with SC Commercial, LLC will be highly beneficial.

On May 23, 2022, SC Commercial, LLC agreed to extend current pricing, which is based on the Colton Oil Price Information Service (OPIS) Daily Unbranded Rack Average Price with CAR (Cap-at-the-Rack), at the current level of services, and the same or better terms and conditions as offered to the County of Riverside through March 31, 2027.

Purchasing Resolution No. 23812, Section 602(h) states, Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances:... (h) When Goods can be Procured from a Bidder who offers the same or better price, terms and conditions as the Bidder previously offered as the Lowest Responsive Bidder under Competitive Procurement conducted by the City or another public agency, provided that, in the opinion of the Manager, it is in the best interest of the City to do so.” SC Commercial, LLC has agreed to maintain the terms, conditions, and pricing awarded under the County of Riverside contract based on RFP-0000341 and Contract PSA-0004078.

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23812, Section 602(h).

STRATEGIC PLAN ALIGNMENT:

This item contributes to the City’s Strategic Priority No. 5 *High Performing Government* and Indicator – Financial Health, as it’s fiscally prudent to lock in wholesale fuel pricing for an extended term.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – A majority of city owned vehicles and equipment require various fuel products in order to provide services throughout the City of Riverside. This action builds community trust by ensuring the city is receiving the best price for necessary fuel products at a competitively bid price.
2. **Equity** – This item is neutral towards this cross-cutting thread.
3. **Fiscal Responsibility** – The proposed action has been competitively bid in accordance with Purchasing Resolution No. 23812, Section 602(h). This contributes to the City’s financial health by ensuring the city will be receiving the best pricing.
4. **Innovation** – By entering into this multi-year partnership for fuel products, the city is better able to forecast fuel requirements and budget needs.
5. **Sustainability & Resiliency** – The multi-year contract for the purchase and delivery of fuel

will ensure all city departments can obtain fuel even when supplies are low.

FISCAL IMPACT:

The total fiscal impact of the action is \$2,437,727. Sufficient funds are budgeted and available for the first year of fueling needs in the Central Garage Fund, General Services Central Garage Motor Pool, Motor Fuels & Lubricants account no. 2215200-426300. Appropriations for future fiscal years will be included in the Department's Budget submissions for those fiscal years to be presented to the City Council for approval.

Fiscal Year	Annual Amount
Total for FY 2021/2022	\$2,216,115
FY 2022/2023 (including 10% volatility)	\$2,437,727
FY 2023/2024 (including 10% volatility)	\$2,681,499
FY 2024/2025 (including 10% volatility)	\$2,949,649
FY 2025/2026 (including 10% volatility)	\$3,244,614
FY 2026/2027 (including 10% volatility)	\$3,569,075

Prepared by: Carl Carey, General Services Director
 Certified as to
 availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer
 Approved by: Kris Martinez, Assistant City Manager
 Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. County of Riverside Request for Proposal RIVCO-2022-RFP-0000341
2. County of Riverside Contract PSA-0004078
3. SC Commercial, LLC Letter