



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 24, 2025**

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

**SUBJECT: APPROVE A SERVICES AGREEMENT WITH FUEL EQUIPMENT SERVICES INC., DBA FUEL SERV, OF MONTCLAIR, CALIFORNIA, FOR REPAIR AND SERVICE OF VARIOUS FUEL SYSTEMS LOCATED AT 8095 LINCOLN AVENUE AND 5961 ACORN STREET IN THE AMOUNT OF \$450,000 PLUS 20% CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$90,000 FOR A TOTAL AMOUNT OF \$540,000, FOR A TERM THROUGH JUNE 30, 2030, AND WITH ONE OPTIONAL TWO-YEAR EXTENSION**

## **ISSUE:**

Approve a Services Agreement with Fuel Equipment Services Inc., dba Fuel Serv, of Montclair, California, for repair and service of various fuel systems located at 8095 Lincoln Avenue and 5961 Acorn Street, in the amount of \$450,000 plus 20% change order authority in the amount of \$90,000, for a total amount of \$540,000, for a term through June 30, 2030, and with one optional two-year extension.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve a Services agreement with Fuel Equipment Services Inc., dba Fuel Serv, of Montclair, California, for repair and service of various fuel systems located at 8095 Lincoln Avenue and 5961 Acorn Street, in the amount of \$450,000 and with one optional two-year extension;
2. Authorize 20% change order authority for unforeseen repairs and services in the amount of \$90,000; and
3. Authorize the City Manager, or designee, to execute all documents necessary to effectuate this agreement, including making minor and non-substantive changes, and to execute the optional two-year extension provided that the amount is included within subsequent approved budgets.

## **DISCUSSION:**

The General Services Department, Fleet Management Division (Fleet) is responsible for ensuring the liquid fuel delivery and storage systems at the Corporation Yard located at 8095 Lincoln

Avenue and at the Water Quality Control Plant located at 5961 Acorn Street are operational and able to meet the fueling needs of the City's fleet.

Since 2015, Fuel Equipment Services Inc., dba Fuel Serv (Fuel Serv) has provided reliable service, and ensured compliance with safety and environmental standards for the City. Their equipment is fully integrated with Fleet's existing infrastructure that uses proprietary systems not compatible with other vendors. Until this year, the annual costs attributed to Fuel Serv have remained below \$50,000 annually, enabling Fleet to request Annual Purchase Orders to meet operational requirements. However, due to market volatility and aging equipment, an increase of \$25,000 was needed for the remainder of Fiscal Year 2024-25 to continue operations, putting the amount needed above the Annual PO limit.

Fuel Serv is the only supplier capable of meeting the City's technical and operational needs, as their fueling system is integrated with the City's existing infrastructure and uses proprietary systems that are incompatible with other systems. Fuel Serv is equipped to provide repairs quickly and efficiently. A change in vendors would require costly infrastructure changes and could result in costly fuel service disruptions due to the time required for the City to competitively procure another vendor and for that vendor to integrate its system with the City's existing infrastructure.

Given the long history of quality service provided to the City by Fuel Serv, the unique need for their services and continued operations, and fluctuations in the market, both parties agreed it would be beneficial to enter into a more formal agreement. The proposed agreement will provide continued services and materials through June 30, 2030. Future Fiscal years will be budgeted at an annual cost of \$90,000. The requested 20% change order authority will provide for unforeseen repairs, market volatility, and aging fueling systems.

<b>Fiscal Year</b>	<b>Cost</b>
FY 2025-26 – Agreement Year 1	\$90,000
FY 2026-27 – Agreement Year 2	\$90,000
FY 2027-28 – Agreement Year 3	\$90,000
FY 2028-29 – Agreement Year 4	\$90,000
FY 2029-30 – Agreement Year 5	\$90,000
<b>Sub-total</b>	<b>\$450,000</b>
20% Change Order Authority	\$90,000
<b>TOTAL</b>	<b>\$540,000</b>

The Sole Source purchase complies with the City's Purchasing Resolution No. 24101, Sections 602(d) and 702(d).

Purchasing Resolution No. 24101 Section 602(d) states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ...(d) When the Procurement can only be obtained timely from a single source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

Purchasing Resolution No. 24101 Section 702(d) states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ...(d) When the Procurement can only be obtained timely from a single source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

The Purchasing Manager concurs that the recommendations are in compliance with Purchasing Resolution 24101, Sections 602(d) and 702(d).

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 6 - Infrastructure, Mobility & Connectivity** and **Goal 6.2** - Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

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

1. **Community Trust** – City staff require accessible fuel systems to fuel their vehicles and effectively provide services throughout the City of Riverside. This action builds community trust by ensuring the city is delivering to the needs of the residents.
2. **Equity** – All City staff operating in the field will continue to have ease of access for their fueling needs.
3. **Fiscal Responsibility** – Fuel Serv has a proven history and is knowledgeable about our liquid fuel systems which enhances their service capabilities, reducing costs associated with new vendor setups, and decreases downtime overall.
4. **Innovation** – The City is inventive and timely in meeting the operational needs of the City's fleet. The agreement will provide stability and continuity of service.
5. **Sustainability & Resiliency** – Maintaining the City's infrastructure will continue to allow the City's fleet to be effective and prepared.

### **FISCAL IMPACT:**

The total fiscal impact of this action is \$540,000. Upon City Council approval, a budget adjustment will be completed for FY 2025/26 to cover costs of this agreement. A budget adjustment in the amount of \$34,000 will be recorded from the General Services Central Garage Fund (650), All Other Equipment Maintenance/Repair account 2215000-424220, to the General Services Central Garage-Auto Stores Fund (650), All Other Equipment Maintenance/Repair account 2215100-424220.

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.

Prepared by:	Joshua Monzon, Administrative Analyst
Approved by:	Lee Withers, General Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachment: Services Agreement