



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 25, 2016

FROM: FIRE DEPARTMENT WARDS: ALL

SUBJECT: AWARD BID NO. 7429 TO PROVIDE MOTOR FUELS FOR CITY FIRE STATIONS TO FLYERS ENERGY AND DESERT PACIFIC OIL, LLC, FOR THE PERIOD NOVEMBER 1, 2016 THROUGH JUNE 30, 2017, WITH AN OPTION TO EXTEND TWO ADDITIONAL YEARS ENDING NOVEMBER 1 2019 - YEAR ONE IN THE AMOUNT OF \$100,000.

ISSUE:

Award Bid No. 7429 to provide fuel for City Fire Stations to Flyers Energy of Bloomington, California and Desert Pacific Oil, LLC of Riverside, California in the amount of \$100,000 for the period November 1, 2016 through June 30, 2017.

RECOMMENDATION:

That the City Council:

1. Award Bid No. 7429 to provide fuel for City Fire Stations to Flyers Energy of Bloomington and Desert Pacific Oil, LLC of Riverside, for the period November 1, 2016 through June 30, 2017, with the option to extend for two additional one-year extensions through November 1, 2019, year one for the amount of \$100,000; and
2. Authorize the Purchasing Services Manager to issue Purchase Orders to Flyers Energy and Desert Pacific Oil LLC, to provide fuel for City Fire Stations from November 1, 2016 through June 30, 2017, and up to two additional one-year extensions as outlined in Bid No. 7429, subject to availability of funds.

BACKGROUND:

To help manage fuel costs, the Purchasing Division periodically solicits bids for delivery of unleaded gasoline and diesel motor fuels to be delivered to 13 City fire stations. The fire station fuel tanks hold between 500 to 1,000 gallons each, and require frequent refilling. To ensure that the Fire Department never runs out of motor fuel, the bid allows for award to two fuel suppliers, effectively providing a back-up in the event either vendor is unable to make a delivery.

DISCUSSION:

Bid No. 7429, to provide unleaded gasoline and diesel motor fuels for City fire stations was issued on September 8, 2016, with a closing date of September 23, 2016. A total of six

responsive bids were received. The apparent low bidders are 1) Flyers Energy of Bloomington, California in the amount of \$115,453.80, and 2) Desert Pacific, LLC of Riverside, California, in the amount of \$117,594.60. Because the price of fuel varies daily, the extended pricing includes a fixed price margin above the wholesale fuel price, which will remain in place for the entire bid award period of three years, and up to two additional one-year extensions, if mutually agreed on.

The Purchasing Services Manager concurs with the bid award recommendation.

FISCAL IMPACT:

Fuel costs for the period of November 1, 2016 through June 30, 2017 are estimated at \$100,000. Years two and three of the bid award period are estimated at \$160,000 each year. Sufficient funds are available in Fire Operations - Motor Fuels and Lubricants account 3510000-426300.

Prepared by:	Michael D. Moore, Fire Chief
Certified as to	
availability of funds:	Scott G. Miller, PhD, Chief Financial Officer/City Treasurer
Approved by:	Alexander T. Nguyen, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney
Attachment:	Bid Recommendation