

**AGENDA ITEM REPORT**

DATE: October 2, 2018
DEPARTMENT: Procurement Management
REQUESTER: Mary Tucker
TITLE: Award Contracts for the Purchase of Fuel - Countywide

I. MOTION REQUESTED

A) Award Invitation to Bid No. B180281TJM Annual Fuel Purchase to the following vendors for a period of one year, as approved in the departments' annual adopted budgets: Southern Petroleum Resources, LLC – primary vendor category A; Palmdale Oil Company, Inc. – secondary vendor category A and primary vendor for categories B, C, D, E; Mansfield Oil Company of Gainesville, Inc. – tertiary vendor for category A.

B) Authorize the Chair to execute the contract documents on behalf of the Board of County Commissioners.

C) Grant the Director of Procurement Management the authority to approve or deny vendor requests for markup rate increases, to add or delete additional locations/delivery sites and fuel types as needed at a negotiated markup rate, and to remove non-performing vendors and adjust primary, secondary, and tertiary awards accordingly.

D) Authorize the Director of Procurement Management to execute contract amendments for price changes, the addition/deletion of fuel types, and locations and vendor awards as necessary.

E) Grant the Director of Procurement Management the authority to negotiate renewals of the contracts, including changes in price, for up to three additional one-year periods, and/or to extend the contracts, and to execute all associated documents, with County Administration approval, as approved in the departments' annual adopted budgets, if doing so is in the best interest of Lee County.

II. ITEM SUMMARY

Awards contracts for purchase of fuel countywide to the following vendors: Southern Petroleum Resources, LLC as the primary vendor for category A; Palmdale Oil Company, Inc. as the secondary vendor for category A and the primary vendor for categories B, C, D, and E; Mansfield Oil Company of Gainesville, Inc. as the tertiary vendor for category A, for an initial period of one year with the option to renew for three additional one-year periods, as approved in the departments' annual adopted budgets. Total expenditures for these goods and services during Fiscal Year 2016-2017 were approximately \$3,601,053.14. The County departments that purchase fuel under the annual contract are Transit (LeeTran), Fleet Management, Solid Waste, Utilities, Facilities and Construction Management, Public Safety, Department of Transportation and Natural Resources.

To verify fair and reasonable fuel pricing, Lee County uses the Oil Price Information Service (OPIS), a company that offers price transparency across the global fuel supply chain. Vendors providing fuel to the County charge a fixed markup over the OPIS average Tampa, Florida price per gallon as reported by OPIS through a daily report for Unleaded 87 and 89 Octane, and #2 Ultra Low Sulfur Diesel Clear and #2 Ultra Low Sulfur Diesel Dyed fuel. Using OPIS fuel price benchmarks as the base price for fuel purchasing supports the County's efforts to ensure the best price in real time without the need to process contract amendments or change orders.

III. BACKGROUND AND IMPLICATIONS OF ACTIONA) Board Action and Other History

On Friday, June 15, 2018, Procurement Management advertised Invitation to Bid No. B180281TJM Annual Fuel Purchase on behalf of the Board of County Commissioners. On the bidding deadline of July 16, 2018, Procurement received five bids. After conducting an analysis on the bid submissions, staff recommends making an award for primary vendor (lowest responsive bid), secondary vendor (next lowest responsive bid) and a tertiary vendor (third lowest responsive bid) as applicable for each category as listed below:

Category A: Fuel by Transport Delivery	Awarded Vendors
Primary Vendor	Southern Petroleum Resources, LLC
Secondary Vendor	Palmdale Oil Company, Inc.
Tertiary Vendor	Mansfield Oil Co. of Gainesville, Inc.
Category B: Fuel by Tank Wagon Delivery	Awarded Vendor
Primary Vendor	Palmdale Oil Company, Inc.
Category C: OPIS (Optional Category)	Awarded Vendor

Primary Vendor	Palmdale Oil Company, Inc.
Category D: Fuel for Pickup by County	Awarded Vendor
Primary Vendor	Palmdale Oil Company, Inc.
Category E: Emergency Delivery Rate	Awarded Vendor
Primary Vendor	Palmdale Oil Company, Inc.

Total expenditures for these goods and services during Fiscal Year 2016-2017 were approximately \$3,601,053.14. The County departments that purchase fuel under the annual contract are Transit (LeeTran), Fleet Management, Solid Waste, Utilities, Facilities and Construction Management, Public Safety, Department of Transportation and Natural Resources.

- B) Policy Issues
- C) BoCC Goals
- D) Analysis
- E) Options

IV. FINANCIAL INFORMATION

A)	Current year dollar amount of item:	See comments below.
B)	Is this item approved in the current budget?	
C)	Is this a revenue or expense item?	
D)	Is this Discretionary or Mandatory?	
E)	Will this item impact future budgets? If yes, please include reasons in III(D) above.	
F)	Fund: Program: Project: Account Strings:	
G)	Fund Type?	
H)	Comments: Expenditures will be as needed and within the departments' annual approved, adopted budgets.	

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

VII. FOLLOW UP

ATTACHMENTS:

Description	Upload Date	Type
Proposed Contract - Southern Petroleum	9/17/2018	Contract
Proposed Contract - Palmdale Oil	9/17/2018	Contract
Proposed Contract - Mansfield	9/17/2018	Contract
Signature Authorization - Mansfield	9/17/2018	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Procurement Management	Turner, Nicole	Approved	9/17/2018 - 11:52 AM
Budget Services	Henkel, Anne	Approved	9/18/2018 - 12:47 PM
Budget Services	Winton, Peter	Approved	9/18/2018 - 1:25 PM
County Attorney	Swindle, Amanda	Approved	9/18/2018 - 2:26 PM
County Manager	Brady, Christine	Approved	9/24/2018 - 9:27 AM

