

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
SUBJECT: CONTRACT AWARD – UNLEADED GASOLINE AND
DIESEL FUEL
STAFF PRESENTER: JIM WRIGHT, PURCHASING AGENT,
FINANCE DEPARTMENT
AGENDA ACTION: MOTION

ISSUE(S)

Shall the City Council approve a multiple award and issuance of two-year contracts with up to three years of extension options for unleaded gasoline and diesel fuel to lowest responsive and responsible bidders, Nick Barbieri Trucking, LLC, dba Redwood Coast Fuels, Ukiah, California, in an amount not to exceed \$5,000,000, and to Ramos Oil Company, Inc., West Sacramento, California, in an amount not to exceed \$350,000, for a combined total of \$5,350,000, subject to approval as to form by the City Attorney?

BACKGROUND

1. On August 28, 2013, Invitation for Bids (IFB) 13-44, solicited by the City for unleaded gasoline and diesel fuel, was opened by the Purchasing Agent.
2. The City purchases approximately \$2.4 million annually worth of unleaded regular gasoline and diesel fuel for the City's fleet, including: 169 Police Department vehicles (patrol, unmarked, motorcycles, etc.), 59 Fire Department vehicles, 66 Transit vehicles including coaches, 711 miscellaneous vehicles (trucks, vans, sedans, scooters, sweepers, tractors, etc.) and motorized equipment (compressors, emergency generators, trenchers, chippers, etc).
3. Most of the gasoline and diesel fuel used by the City is purchased in bulk, which would be provided under the recommended contracts, and is dispensed through fueling systems located at the City's MSC-North fuel bay, various fire stations, Brown Farm, Laguna Treatment Plant, and miscellaneous Utilities Department pump stations and wells. The City also purchases gasoline and diesel fuels from local Arco service stations, and a cardlock system with Redwood Coast Petroleum for multi-point access and back up purposes, and would not be affected by this contract.

4. A current contract and Blanket Purchase Order (BPO) for gasoline and diesel will expire on October 31, 2013. Market research suggested more competitive pricing could be obtained by rebidding these commodities rather than extending the contract and BPO. The recommended contracts would replace the current contract and BPO.
5. Funds for this expenditure have been allocated in various departmental operational budgets for FY 2013-14, and will be budgeted in FY 2014-15 when approved by City Council.

ANALYSIS

1. Of the eleven bidders on the City's bid list for unleaded gasoline and diesel fuel, ten submitted responsive offers, and are listed below.

BIDDER NAME	Total Section 1	Total Section 2
*Nick Barbieri Trucking, LLC Ukiah, CA	\$4,457,942.10	\$318,339.67
**Ramos Oil Co. West Sacramento, CA	\$4,484,210.25	\$316,720.71
Boyett Petroleum Modesto, CA	\$4,466,614.00	No Bid
Renner Petroleum Eureka, CA	\$4,467,125.90	\$325,614.66
Redwood Coast Petroleum Santa Rosa, CA	\$4,468,116.12	\$321,287.86
Royal Petroleum Santa Rosa, CA	\$4,469,529.87	\$324,217.09
SC Fuels Orange, CA	\$4,484,200.15	\$329,970.65
Petroleum Traders Ft. Wayne, IN	\$4,505,338.36	No Bid
Southern California Lubricants Richmond, CA	\$4,513,444.75	\$324,252.56
Apex Fuels Temecula, CA	\$4,564,693.50	No Bid

*Apparent lowest responsive and responsible bidder for Section 1

**Apparent lowest responsive and responsible bidder for Section 2

2. Bidders were required to bid fuel at an increase/margin (delivery included) over their “pull point” rack price for each item, which is the increase/margin over the actual vendor’s price paid to the refinery. The bid increase/margin would remain firm throughout the contract period. Bids were evaluated by applying the margins bid for each item to the average price paid for these items by the City for the most currently available previous three-month period, multiplied by the estimated bi-annual usage plus applicable taxes.
3. This award will result in two, two-year contracts, with up to three years of extension options each. The City would not be required to purchase any minimum amounts. Quantities bid were estimates only. The recommended combined contracts award of \$5,350,000 is based on current estimated bi-annual expenditures of \$4,800,000 million, plus 11% to accommodate possible future cost increases. In the event that unforeseen circumstances should create a fuel shortage and/or a priority delivery schedule, the contractors have agreed that the City will be guaranteed a first delivery priority of fuel to maintain emergency services.
4. The bid was structured in two sections: Section 1 for truck and trailer deliveries to the City’s MSC-North fuel bay, and Section 2 for bobtail or smaller tanker truck deliveries to the various fire stations, Brown Farm, Laguna Treatment Plant, and miscellaneous Utilities Department pump stations and wells. As a result of the bid evaluation, Nick Barbieri Trucking, LLC, dba Redwood Coast Fuels, is considered the lowest responsive and responsible bidder for Section 1, Truck and Trailer Delivery; and Ramos Oil Company, Inc., is considered the lowest responsive and responsible bidder for Section 2, Bobtail Delivery.

RECOMMENDATION

It is recommended by the Finance Department that the Council, by motion, approve a multiple award and issuance of two-year contracts with extension options by the City for up to three years for unleaded gasoline and diesel fuel to the lowest responsive and responsible bidders, Nick Barbieri Trucking, LLC, dba Redwood Coast Fuels, Ukiah, California, in an amount not to exceed \$5,000,000, and to Ramos Oil Company, Inc., West Sacramento, California, in an amount not to exceed \$350,000, for a combined total of \$5,350,000, subject to approval as to form by the City Attorney. Funds for this expenditure have been allocated in various departmental operational budgets for FY 2013-14, and will be budgeted in FY 2014-15 when approved by the Council.

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Attachments:

- Draft Nick Barbieri Trucking, LLC contract
- Draft Ramos Oil Company, Inc. contract