

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER,  
FINANCE DEPARTMENT  
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE  
DEPARTMENT  
SUBJECT: CONTRACT AMENDMENT 2 – DIESEL AND UNLEADED GAS  
WITH DELIVERY

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Finance Department that the Council, by resolution, approve the Second Amendment to General Services Agreement (GSA) #F000649 with Ramos Oil Company, Inc., Sacramento, California, to exercise the final one-year extension option of the Agreement and increase contract compensation by \$360,000, for a total amount not to exceed \$805,000.

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EXECUTIVE SUMMARY

Agreement F000649 provides for bobtail or smaller tanker truck fuel deliveries to the various fire stations, Brown Farm, Laguna Treatment Plant, and miscellaneous Utilities Department pump stations and wells. This Second Amendment will exercise the final extension option of the Agreement, and add funds.

BACKGROUND

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.

On November 5, 2013, the City Council approved Contract No. F000649 for City diesel and unleaded regular gas and delivery services for a two-year term with (3) one-year extension options to Ramos Oil Company, Inc., Sacramento, California. The current contract expires November 8, 2017.

The First Amendment ratified previous extension letters, and added funds. This second Amendment exercises the final year of the allowable three contract year extensions and adds funding.

AMENDMENT 2- DIESEL AND UNLEADED GAS WITH DELIVERY  
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The City purchases approximately \$2.4 million annually worth of diesel and regular unleaded gasoline in total under multiple Agreements. This Agreement provides for the purchase and delivery of the gasoline and diesel fuel used by the City that is delivered to locations and is then 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. This Agreement provides for bobtail or smaller tanker truck fuel deliveries to the various fire stations, Brown Farm, Laguna Treatment Plant, and miscellaneous Utilities Department pump stations and wells.

PRIOR CITY COUNCIL REVIEW

On November 5, 2013, the City Council awarded a two-year agreement with (3) one-year extension options for a not to exceed total of \$350,000.

ANALYSIS

Under the original bid, Invitation for Bids (IFB) 13-44, 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.

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	November 5, 2013	Award (2-year term)	\$350,000	City Council
Extension No. 1	November 25, 2015	Contract Ext. (1-year term)	\$0	Purchasing Agent
Extension No. 2	October 25, 2016	Contract Ext. (1-year term)	\$0	Purchasing Agent
Amendment No. 1	March 9, 2017	Ratify extension letters, add funds.	\$95,000	City Manager
Amendment No. 2	August 29, 2017	Extend one year, add funds	\$360,000	City Council
		<b>Total Cumulative Value Pending Amendment No. 1</b>	<b><u>\$805,000</u></b>	

The original bid resulted in the Council Award of a two-year Agreement, with up to three years of extension options. Amendment 1 ratified extensions letters for the first and second year renewal options, added \$95,000 and provided the Agreement through November 4, 2017. Amendment 2 will add \$360,000 in compensation and extend the term to November 4, 2018.

FISCAL IMPACT

Funds for this procurement have been included for the various departmental operational budgets in the approved Fiscal Year 2017-18 budget, and as a regular expenditure, will be included in subsequent years' budgets when presented to Council.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not Applicable

ATTACHMENTS

- Resolution/Exhibit A – Agreement Amendment 2

CONTACT

Deborah Lauchner, Chief Financial Officer, Finance Department, 707-543-3089,  
dlauchner@srcity.org

Brandalyn Tramel, Purchasing Agent, Finance Department, 707-543-3706,  
btramel@srcity.org