



City Council
Agenda Memo

TO: Larry D. Gilley, City Manager

City Council Meeting Date: 1/23/14

FROM: Mindy Patterson, Director of Finance

SUBJECT: Award of Bid for Annual Purchase of Fuel Products, Bid # CB-1414

GENERAL INFORMATION

Bid advertisements for fuel products were published on December 1st and December 8th, 2013, and bids were opened on December 18th. Eleven (11) invitations were sent to vendors and five (5) bids were received. Bids were requested for both tanker loads and bobtail loads of Unleaded Gasoline, #2 Diesel fuel, and #2 Biodiesel.

Vendors were asked to bid a firm plus (+) or minus (-) factor that would be applied to the average daily Abilene terminal price. The average terminal price is published in the Oil Price Information Service (O.P.I.S.) Index for Petroleum Products. The factor was to include delivery price and profit margin, but not taxes. This procedure has been utilized for several years and has proven to provide the equitable basis for evaluating bids. It also serves as an audit method for monitoring fuel costs during the contract period.

Fuel Masters, LLC submitted incomplete bids for Item 1 and Item 3 on both Tanker and Bobtail Loads. Petroleum Traders Corp. submitted incomplete bids for Item 3 on both Tanker and Bobtail Loads. Mansfield Oil Co. does not indicate that their bid meets specifications for Items 1, 2, and 3 for Tanker Loads.

FUNDING/FISCAL IMPACT

Products will be purchased as needed from funds allocated in the Fleet Maintenance budget.

STAFF RECOMMENDATION

Staff recommends bid award to the lowest responsible bidder on each of the following items: Johnson Oil Co. for items 1 and 2 of both the Tanker Loads and Bobtail Loads, and Centergas Fuels, Inc. for item 3 of both the Tanker Loads and Bobtail Loads.

The contract will be for a one (1) year period with the City of Abilene reserving the option to renew for four (4) additional one-year terms at the same terms and conditions.

ATTACHMENTS

Bid tabulation sheet.

Prepared By:	Disposition by City Council
Name <u>Chris Pettijohn</u>	<input type="checkbox"/> Approved <input type="checkbox"/> Denied <input type="checkbox"/> Other Ord/Res # _____
Title <u>Fleet Maintenance Manager</u>	Item No. <u>6.3</u>
	_____ City Secretary

**CITY OF ABILENE
PURCHASING DIVISION
TABULATION OF BIDS**

DEPARTMENT: FLEET MAINTENANCE
 BID NO.: CB-1414
 TIME OF OPENING: 11:00 A.M.
 DATE OF OPENING: DECEMBER 18, 2013

FUEL MASTERS LLC
 ABILENE, TX

PETROLEUM TRADERS
 CORP
 FT. WAYNE, IN

MANSFIELD OIL CO.
 GAINSVILLE, GA

CENTERGAS FUELS INC.
 AMARILLO, TX

JOHNSON OIL COMPANY
 GONZALES, TX

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION
TANKER LOADS															
1.	REGULAR UNLEADED				DOES NOT MEET SPECS		+.0201		DOES NOT MEET SPECS		+.1000		*+.0030		
2.	UNDYED #2 ULTRA-LOW SULFUR DIESEL				+.0289		+.0242		DOES NOT MEET SPECS		+.1000		*+.0230		
3.	UNDYED #2 ULTRA-LOW SULFUR DIESEL, UP TO B5 BIODIESEL				DOES NOT MEET SPECS		DOES NOT MEET SPECS		DOES NOT MEET SPECS		*+.1000		NO BID		
BOBTAIL LOADS															
1.	REGULAR UNLEADED				DOES NOT MEET SPECS		+.0800		NO BID		+.1500		*+.0570		
2.	RED-DYED #2 ULTRA-LOW SULFUR DIESEL				+.2576		+.0800		NO BID		+.1500		*+.0725		
3.	RED-DYED #2 ULTRA-LOW SULFUR DIESEL, UP TO B5 BIODIESEL				DOES NOT MEET SPECS		DOES NOT MEET SPECS		NO BID		*+.1500		NO BID		
BASE BID															
DISCOUNT															
TOTAL BID															

*NOTES: INDICATES RECOMMENDED AWARD