



TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: July 1, 2014

TITLE: Motion to award a three-year contract for unleaded gasoline and diesel fuel – Southeast Florida Governmental Purchasing Cooperative Contract 14-A-035 - \$13,373,892 (three year cost)

Recommendation

It is recommended that the City Commission award a three-year contract for the purchase of unleaded gasoline and diesel fuel through the Southeast Florida Governmental Purchasing Cooperative (Co-op) contract 14-A-035 to MacMillan Oil Company of Florida Inc. (MacMillan) in the estimated annual amount of \$4,457,964 (three year estimated amount of \$13,373,892) and authorize the City Manager to approve two two-year renewal options, contingent upon appropriation of funds.

Background

This is a recommendation for the approval of a three-year contract for the purchase of unleaded 87 octane gasoline and ultra-low sulfur diesel # 2 fuel to be used in City vehicles and equipment.

On May 21, 2014, the City of Coral Springs, as lead agency for the Co-op, awarded a contract to MacMillan for the purchase of unleaded gasoline and diesel fuel beginning on July 1, 2014 and terminating on March 31, 2017 with the possibility of two additional two-year renewals.

Pricing methodology for unleaded 87 octane gasoline:

- Daily Published Oil Price Information Service (OPIS) Gross Conventional Blend stock for Oxygenate Blending (CBOB) Ethanol 10% unleaded unbranded Rack Average Price on the date of the delivery
- Plus positive or negative differential provided for 87 octane unleaded

Pricing methodology for ultra low sulfur diesel # 2:

- Daily Published Oil Price Information Service (OPIS) Gross Ultra Low Sulfur Diesel # 2 unbranded Rack Average Price on the date of the delivery
- Plus positive or negative differential provided for ultra-low sulfur diesel # 2

Transport deliveries: Typical capacity 8,000 gallons. Diesel fuel is by volume heavier than gasoline, so transport loads of diesel are 7,000 gallons or less. Gasoline deliveries can be maximized at full load, i.e. 8,000 gallons.

Tank wagon deliveries: Any delivery from 100 to 4,000 gallons.

Item #	Description	Transport Delivery differential (+)/(-) per gallon	Tank Wagon Delivery differential (+)/(-) per gallon
1	87 Octane	\$0.0030	\$0.0290
2	Diesel Fuel # 2 Ultra Low Sulfur	\$0.0000	\$0.0380

Pursuant to Section 2-198 of the Code of Ordinances, Cooperative Purchasing, purchases of fuel will be made utilizing the Southeast Florida Governmental Purchasing Cooperative Group contract 14-A-035 awarded to MacMillan.

Resource Impact

There will be an estimated fiscal impact to the City in the amount of \$995,000 in Fiscal Year 2014. Future expenditures are contingent upon approval and appropriation of the annual budget. Future year expenditures are estimated to be \$4,457,964 in Fiscal Year 2015, \$4,457,964 in Fiscal Year 2016, and \$3,462,964 in Fiscal Year 2017.

NOTE: Portions of the available balance are currently encumbered on Purchase Order PP140479. An anticipated encumbrance balance of at least \$646,323 will remain at the end of the current purchase order period. These funds will be unencumbered and transferred to a new purchase order after final payment is made for fuel deliveries received up to June 30th.

<i>Funds available as of June 24, 2014</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	OBJECT CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Object Code)	AVAILABLE BALANCE (Object Code)	PURCHASE AMOUNT
583-PBS580101- 3801	FLEET SERVICES	SERVICES & MATERIALS/ GASOLINE	\$11,243,453	\$357,552	\$679,585
583-PBS580101- 3804	FLEET SERVICES	SERVICES & MATERIALS/ DIESEL	\$11,243,453	\$357,552	\$315,415
PURCHASE TOTAL →					\$995,000

Strategic Connections:

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We are Ready.*

Attachment

Exhibit 1 - Agreement

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