

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	25248	Agenda Number	58.
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Meeting Date:	September 26, 2013
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Department:	Purchasing
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Subject

Authorize award, negotiation, and execution of a 24-month requirements supply contract with SUN COAST RESOURCES, INC., or one of the other qualified offerors to RFP No. SMW0118, to provide bulk motor fuels and fuel related products in an amount not to exceed \$34,650,000, with four 12-month extension options in an amount not to exceed \$19,965,000 for the first option, \$21,961,500 for the second option, \$24,157,650 for the third option, and \$26,573,415 for the final option, for a total contract amount not to exceed \$127,307,565.

Amount and Source of Funding

Funding in the amount of \$4,125,000 is available in the Fiscal Year 2012-2013 Operating Budget of the Financial and Administrative Services Fleet Fund. Funding for the remaining 21 months of the initial contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best evaluated proposal.
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Prior Council Action:	
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For More Information:	Shawn Willett, Business Process Consultant Sr., 974-2554
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Additional Backup Information

This contract will establish a supply agreement for the purchase of Unleaded Gasoline, E-85 Ethanol based gasoline, Diesel, Biodiesel, Fuel Additives, Diesel Exhaust Fluid (DEF), and Transportation and Delivery Services, for use by the City's Fleet Services Department. This contract may also be used for other public entities in the Austin Metropolitan Statistical Area (Austin MSA) which is made up of Bastrop, Caldwell, Hays, Travis and Williamson Counties. In September 2011, the City began an effort to build a procurement consortium of public entities in the Austin MSA, and identified the procurement of bulk motor fuels as the initial procurement effort. With this goal in mind, the City completed a Mobility Fuel Consortium Study ("Study"), including the identification of potential regional public partners, and assessed current contracts, practices and resources toward the development of a go-to-market strategy, schedule and project charter for the procurement effort. Upon completion of the Study, a workgroup of fleet and procurement management and staff from the City and several other interested jurisdictions assembled and defined the scope and approach for a solicitation. These other interested jurisdictions include the Austin Independent School District, Capital Metropolitan Transportation Authority, Eanes Independent School District, Manor Independent School District, Travis County, and The University of Texas at Austin.

This contract is for the purchase of an estimated 2.4 million gallons of Biodiesel, 1.8 million gallons of unleaded gasoline, 200,000 gallons of conventional diesel, 500,000 gallons of E-85 and 5,000 gallons DEF annually for the City's Fleet Department. This contract has no guaranteed usage of any fuel type, so the City's usage may be adjusted as the make-up of the City's fleet of vehicles changes, and the fuel requirements change. Sun Coast will transport and deliver all loads of fuel to City fuel storage tanks with its own fleet of trucks and drivers.

Pricing for this contract is based on the price differential, which is added to an industry price list that establishes the average price per gallon for different types fuels in our region on a daily basis. This is a standard pricing method that the City has used in previous fuel contracts.

A team composed of personnel from the City's Fleet Department as well as representatives from each of the interested parties with expertise in this area evaluated the proposals and unanimously chose this proposal as the best to provide these goods. Evaluation criteria included cost, technical proposal, demonstrated applicable experience, personnel qualifications, references, and local business presence.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so Council may select another qualified offeror and authorize contract negotiations with that provider.

MBE /WBE solicited: 3/0

MBE /WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Three hundred fifty-seven notices were sent including twenty-four MBEs and eleven WBEs. Seven proposals were received, with no response from the M/WBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal. Sun Coast Resources, Inc. is the current supplier of these products.
- b. The Purchasing Office concurs with Fleet Services Division's recommended award.

c. Advertised in the Austin American Statesman and on the Internet.