



## Legislation Text

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**File #:** 17-0111, **Version:** 1

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MOTION TO APPROVE THE PURCHASE OF DIESEL FUEL AND GASOLINE FROM PORT CONSOLIDATED INC. UTILIZING THE CITY OF POMPANO BEACH CONTRACT # E-13-17 ON BEHALF OF THE SOUTHEAST FLORIDA GOVERNMENT PURCHASING COOPERATIVE AND AUTHORIZE THE PURCHASE OF DIESEL FUEL AND GASOLINE IN THE QUANTITIES NEEDED WITH PRICING BASED ON THE OPIS FUEL INDEX COST AT THE TIME OF DELIVERY EFFECTIVE MARCH 15, 2017 THROUGH MARCH 14, 2020.

### **SUMMARY EXPLANATION AND BACKGROUND:**

1. The City fleet, pump stations, and emergency generators use large quantities of diesel fuel and gasoline on an annual basis. In order to meet the City's fuel needs in the most cost effective manner, the City has been utilizing cooperative purchasing agreements. The City has utilized the Southeast Florida Governmental Purchasing Cooperative agreement for gasoline and diesel fuel awarded by its lead agency, the City of Coral Springs, since June of 2005 and has utilized that same contract as it was annually renewed and/or re-bid.
2. The current contract with MacMillan Oil Company of Florida, Inc. is set to expire on March 31, 2017.
3. The City of Pompano Beach is now the lead agency for the Southeast Florida Governmental Purchasing Cooperative contract for unleaded gasoline and diesel fuel.
4. The City of Pompano Beach issued Bid # E-13-17, on behalf of the Southeast Florida Governmental Purchasing Cooperative (Co-op), and on March 15, 2017 the City of Pompano Beach Commission, on behalf of the SE Florida Governmental Purchasing Cooperative, awarded bid number # E-13-17 to Port Consolidated Inc. for the purchase of diesel fuel and gasoline. This Agreement makes use of the OPIS Fuel Index, which is locally oriented, and is the index used by the majority of suppliers for their purchases from other suppliers. This Agreement also provides for an additional two year renewal term if approved by both the City of Pompano Beach and Port Consolidated Inc.
5. The contract with Port Consolidated Inc. is based on the OPIS Fuel Index, which is an index that is based on the average daily price of a gallon of fuel at Port Everglades. The previous contract with MacMillan Oil was also based on the OPIS Fuel Index.
6. The City of Pembroke Pines is a member of the Southeast Florida Governmental Purchasing Cooperative and Section 35.18(6) of the Pembroke Pines Procurement Code exempts Cooperative purchasing plans from competitive bidding.
7. Funding for unleaded gasoline and diesel fuel are approved in the annual budget, and the 2016-17 FY Approved Budget includes funding for gasoline and fuel in the appropriate operating budgets .

In FY 2014-15, the City purchased 390,276 gallons of gasoline and 195,829.80 gallons of diesel fuel at a cost of \$1,590,515.62 for City vehicles and equipment. In FY 2015-16 the City purchased 397,367 gallons of gasoline and 166,500.60 gallons of diesel fuel at a cost of \$1,225,412.68.

8. It is the recommendation of the Purchasing Manager that Co-op Bid# E-13-17 be utilized for the purchase of diesel fuel and gasoline.

9. Motion to approve the purchase of diesel fuel and gasoline from Port Consolidated Inc. utilizing the City of Pompano Beach Contract # E-13-17 on behalf of the Southeast Florida Government Purchasing Cooperative and authorize the purchase of diesel fuel and gasoline in the quantities needed with pricing based on the OPIS Fuel Index cost at the time of delivery effective March 15, 2017 through March 14, 2020.

**FINANCIAL IMPACT DETAIL:**

- a) **Initial Cost:** Estimated to be \$1,300,000 per year depending on the price of fuel.
- b) **Amount budgeted for this item in Account No:** Various accounts throughout the budget all coded to 52540 - Fuel
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable
- d) **5 year projection of the operational cost of the project:** Not Applicable.
- e) **Detail of additional staff requirements:** Not Applicable.