



Legislation Text

File #: 2016-900, Version: 1

Report to Mayor and City Council

Friday, August 12, 2016

Consent

SUBJECT:

CONSIDER EXTENDING THE AGREEMENT FOR BULK PURCHASING OF GASOLINE AND DIESEL FUEL (CITY COUNCIL)

I. SUMMARY

The City's agreement for the purchase of bulk fuel (gasoline and diesel) expired on June 30, 2016. The City originally awarded a three-year term to Southern Counties Oil Company, dba SC Fuels, effective July 1, 2012 through June 30, 2015, with a one year extension through June 30, 2016. Staff is recommending an extension of the agreement for six additional months.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE the formal bid process defined by the Carson Municipal Code, Section 2607, as allowed by Section 2604 (d).
2. APPROVE the extension of the agreement for the bulk purchase of gasoline and diesel fuel with Southern Counties Oil Company, dba SC Fuels; for six additional months; effective July 1, 2016 through December 31, 2016, for an estimated cost of \$125,000.00.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The City's Warehouse Operation is responsible for two underground fuel tanks located at the Corporate Yard - a 10,000 gallon capacity tank for 89 Octane Gasoline, and a 7,500 gallon capacity tank for Number 2 Diesel Fuel.

Oversight of the Warehouse Operation was transferred from the Finance Department to the

Public Works Department on July 1, 2016

From July 1, 2012 through June 30, 2016, the City of Carson utilized the purchasing contract between "The Cooperative Purchase Network" (TCPN) and Southern Counties Oil Company, dba SC Fuels to secure fuel. SC Fuels will continue honoring all terms and conditions of the previous contract through December 31, 2016 (Exhibit No. 1).

V. FISCAL IMPACT

For the last three years, the City's annual cost for fuel consumption has averaged \$240,500.00

Gasoline and diesel fuel are added to the City's fuel inventory when they are purchased. The costs are charged back to departmental accounts as the fuel is used.

Fuel expenditures were included in the FY 2016/17 Public Works Department Fleet Program budget account nos. 01-80-840-085-7306 and 01-80-840-085-7307.

VI. EXHIBITS

1. SC Fuels agreement extension with the City of Carson. (pg. 3)

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