



# CITY OF CARSON

## Legislation Text

File #: 2016-1294, Version: 1

### Report to Mayor and City Council

Tuesday, January 24, 2017

Consent

#### **SUBJECT:**

#### **CONSIDER EXTENDING THE AGREEMENT FOR BULK PURCHASING OF GASOLINE AND DIESEL FUEL**

#### **I. SUMMARY**

The City's agreement for the purchase of bulk fuel (gasoline and diesel) expired on December 31, 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 an eighteen month extension through December 31, 2016. In anticipation of approval from City Council for a revised Purchasing Ordinance, staff is recommending an additional six month extension of the agreement in order to process a Request for Proposal (RFP).

#### **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 January 1, 2017 through June 30, 2017.

1.

#### **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

#### **IV. BACKGROUND**

The City's Warehouse Division 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. Responsibility for the warehouse transferred from the Finance Department to the Public Works Department with the new fiscal year (July 1,

2016). The former warehouse supervisor retired and a new warehouse supervisor was appointed, who is reviewing all purchase orders and contracts related to warehouse operations.

Staff research revealed that from July 1, 2012 through December 31, 2016, the City of Carson utilized the purchasing contract between the "The Cooperative Purchase Network" (TCPN) and Southern Counties Oil Company, (SC Fuels) to secure fuel. Staff recommends that the City go out to bid, however a six month period would be necessary to complete the bid process. SC Fuels will continue honoring all terms and conditions of the previous contract through June 30, 2017. The new enterprise resource planning software (Tyler Munis) includes a contract management module, which will help City staff better monitor the expiration of contracts.

## **V. FISCAL IMPACT**

None.

## **VI. EXHIBITS**

None.

1.

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