

W. S. B.

## AGENDA COVER MEMO

**Memorandum Date:** August 2, 2007

**Order Date:** August 29, 2007

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**TO:** Lane County Board of Commissioners

**DEPT:** Public Works

**PRESENTED BY:** Phillip Guyette, Public Works Fleet Manager

**AGENDA ITEM TITLE:** In the Matter of Awarding a Three Year Requirements Contract to The Jerry Brown Company for the Purchase of Bulk Fuel and Fuel Delivery Services, Contract No. RFP07/08 FS-02.

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### I. MOTION

MOVE TO AWARD A THREE YEAR REQUIREMENTS CONTRACT TO THE JERRY BROWN COMPANY FOR THE PURCHASE OF BULK FUEL AND FUEL DELIVERY SERVICES, AS SPECIFIED IN CONTRACT RFP07/08 FS-02.

### II. ISSUE OR PROBLEM

Shall Lane County approve awarding a contract to The Jerry Brown Company, for the purchase of Bulk Fuel and Fuel Delivery Services?

### III. BACKGROUND/IMPLICATIONS OF ACTION

#### A. Board Action and Other History

Public Works has historically purchased motor fuels on the spot market by obtaining weekly price quotes from wholesale fuel vendors. These price quotes required a guaranteed delivery date/time and a fixed price for motor fuels. Due to on-going supply shortages and volatile pricing at the wholesale level, fuel vendors will no longer guarantee delivery dates or pricing to customers without a fuel delivery services contract. Delivery of motor fuel purchased by quote now takes up to 7 (seven) days, resulting in fuel shortages that affect Road Maintenance and Waste Management operations.

During the twelve month period ending April 30, 2007, Public Works purchased approximately 500,000 gallons of bulk diesel, biodiesel, and unleaded gasoline, at a cost of nearly \$1,200,000.00.

Public Works solicited proposals for bulk fuel and fuel delivery services via the Request for Proposal (RFP) process. Criteria included delivery of bulk diesel, biodiesel and unleaded regular gasoline within 36-hours of request, to six (6) sites throughout the County.

#### B. Policy Issues

None

**C. Board Goals**

Purchase of fuel is necessary to provide direct and indirect services to the citizens of Lane County, to maintain satisfactory operations of the County's road system, and to meet the health, safety, and economic good of the citizens and industries of our community as defined in Section B3.a.2 of the Strategic Plan.

**D. Financial and/or Resource Considerations**

Sufficient funds are available in the Fleet Service budget for purchase of this commodity.

**E. Analysis**

The RFP was advertised in the Register Guard on July 24, 2007, and the proposals were opened on August 1, 2007. The County received responses to the RFP solicitation from The Jerry Brown Company, and Tyree Oil, Inc.

The RFP required a price quote for diesel, biodiesel, and unleaded gasoline based on xx cents above or below the published Oil Price Information Service (OPIS) wholesale rack fuel price at 12:01 a.m., Thursday, July 26, 2007 as a basis to evaluate the proposals. Actual pricing for all fuel purchases will be calculated by adding or subtracting xx cents from the published OPIS price on the actual date of each purchase.

**F. Alternatives/Options**

1. Approve entering into a requirements contract with The Jerry Brown Company, and delegate the County Administrator authority to execute the contract. Contracting for fuel and fuel delivery services insures timely delivery of this critical commodity at competitive prices.
2. Do not enter into the contract.

**IV. Timing/Implementation**

Upon approval of the Board, a contract will be executed between The Jerry Brown Company and the County Administrator.

**V. Recommendation**

It is recommended that the Board approve entering into a requirements contract with The Jerry Brown Company for Bulk Fuel and Fuel Delivery Services as specified in RFP07/08 FS-02, and delegate the County Administrator authority to execute the contract.

**VI. Follow-up**

None.

**VII. Attachments**

Board Order

Proposal Analysis

Proposal Recap

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

O R D E R

) IN THE MATTER OF AWARDDING A  
) THREE YEAR REQUIREMENTS  
) CONTRACT TO THE JERRY BROWN  
) COMPANY FOR THE PURCHASE OF  
) BULK FUEL AND FUELING SERVICES,  
) CONTRACT NO. RFP07/08 FS-02

WHEREAS, bids were received on August 1, 2007, for providing bulk fuel and fueling services as specified in Contract RFP07/08 FS-02; and

WHEREAS, the lowest responsive bid to conform to bid specifications was received from The Jerry Brown Company, and the Director of the Department of Public Works recommends that the bid be accepted; therefore it is hereby

ORDERED that a contract be awarded to The Jerry Brown Company for bulk fuel and fueling services, in accordance with the bid specifications; and it is hereby further

ORDERED that a requirements contract be executed in accordance with this Order and the bid specifications and the County Administrator be authorized to sign the contract on behalf of the County.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Faye Stewart, Chair  
Board of County Commissioners

APPROVED AS TO FORM

Date 8-17-07 lane county

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OFFICE OF LEGAL COUNSEL

**PROPOSAL RECAP**

**CONTRACT RFP07/08 FS-02**

**BULK FUEL AND FUEL DELIVERY SERVICES:**

RFP Opening: Wednesday August 1, 2007, 10:15 a.m.

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**Tyree Oil, Inc:**

Annual fuel cost proposal based on Oil Price Information Service (OPIS)  
Rack Wholesale price effective July 26, 2007:  
\$1,164,909.14

**The Jerry Brown Company:**

Annual fuel cost proposal based on Oil Price Information Service (OPIS)  
Rack Wholesale price effective July 26, 2007:  
\$1,163,621.94

**RFP07/08 FS-02 BULK FUEL AND FUEL DELIVERY SERVICES PROPOSAL ANALYSIS**
**Tyree Oil Company Proposal**

Delivery Location	Product	Annual Volume	July 26, 2007 OPIS Rack Fuel Price	+ OPIS Rack Price	Delivered Price/Gal	Annual Cost
Public Works (Delta)	ULSD	250,000	2.35470	-0.0160	2.3387	\$584,675.00
	UL	16,000	2.24280	-0.0160	2.2268	\$35,628.80
Glenwood	B5	90,000	2.34427	-0.0160	2.3283	\$209,543.85
	B5	15,000	2.34427	-0.0160	2.3283	\$34,923.98
	UL	15,000	2.24280	-0.0160	2.2268	\$33,402.00
Short Mountain	B5	84,000	2.34427	-0.0160	2.3283	\$195,574.26
Dexter	ULSD	10,000	2.35470	0.0100	2.3647	\$23,647.00
Cottage Grove	ULSD	10,000	2.35470	0.0200	2.3747	\$23,747.00
Armitage Park	ULSD	7,500	2.35470	0.0500	2.4047	\$18,035.25
	UL	2,500	2.24280	0.0500	2.2928	\$5,732.00
<b>Annual Fuel Cost From Tyree Oil Company Proposal</b>						<b>\$1,164,909.14</b>

**The Jerry Brown Company Proposal**

Delivery Location	Product	Annual Volume	July 26, 2007 OPIS Rack Fuel Price	+ OPIS Rack Price	Delivered Price/Gal	Annual Cost
Public Works (Delta)	ULSD	250,000	2.35470	-0.0250	2.3297	\$582,425.00
	UL	16,000	2.24280	-0.0250	2.2178	\$35,484.80
Glenwood	B5	90,000	2.36447	-0.0250	2.3395	\$210,551.85
	B5	15,000	2.36447	-0.0250	2.3395	\$35,091.98
	UL	15,000	2.24280	-0.0250	2.2178	\$33,267.00
Short Mountain	B5	84,000	2.36447	-0.0250	2.3395	\$196,515.06
Dexter	ULSD	10,000	2.35470	-0.0250	2.3297	\$23,297.00
Cottage Grove	ULSD	10,000	2.35470	-0.0250	2.3297	\$23,297.00
Armitage Park	ULSD	7,500	2.35470	0.0425	2.3972	\$17,979.00
	UL	2,500	2.24280	0.0425	2.2853	\$5,713.25
<b>Annual Fuel Cost From The Jerry Brown Company Proposal</b>						<b>\$1,163,621.94</b>