



Meeting Date: 07/25/2006

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Dan Berlenbach, Fleet Services Manager ^{DSB} Agenda Item No. I-11

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) Public Works

DATE: July 18, 2006

TO: City Council

FROM: Michael Henderson, Deputy Public Works Director
Maintenance Services Branch, Public Works Department [Signature]

SUBJECT: Blanket Purchase Order (PO) for Purchase of Fuel for City Vehicle Fleet from Silvas Oil Company

RECOMMENDATION

That City Council approve and authorize the Mayor to execute a Blanket PO for the purchase of fuel for City vehicles and equipment in the approximate amount of \$1.5M annually.

DISCUSSION

The Equipment Maintenance Division of the Public Works Department is responsible for providing maintenance and fuel for the City's fleet of vehicles. Fuel is currently purchased from two major vendors. A Request for Proposals (RFP) was initiated by the Division to gather vendors' price proposals and take advantage of the City's large fuel purchasing power. The current arrangement does not provide maximum cost savings nor does it provide for emergency access to fuel for contingencies.

Two firms responded to the RFP. Silvas Oil Company offers the better response based on the ability to provide data associated with fuel use (important for maintenance scheduling and costing). New fuel cards will be issued and phased in over a three-month period. This will be an improved card lock system, whereby the fuel cards have (system controlled) limits for fuel type, quantity, day of the week, hours of the day, and cost. Another advantage of the new program will be improved data and billing review through easy web-based access to usage data, ensuring easy review and no improper use.

A key concern was to help ensure City access to fuel in the event of an emergency. This PO requires that the City have priority in the event of a declared emergency and also requires the vendor to have an emergency generator on site.

FINANCIAL IMPACT

This is an internal service fund and the various departments are charged with the fuel they use. There are sufficient funds in Equipment Maintenance accounts 741-7501-853-8236 and -8238 to cover this agreement and no additional appropriation is necessary. It is anticipated that future appropriations will support this agreement, as it is a multi-heat purchase order.

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