



Meeting Date: 06 / 26 / 12

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: May Roque *MR* Agenda Item No. I-5

Reviewed By: City Manager *MMH* City Attorney *JP* Finance *JK* Other (Specify) N/A

**DATE:** June 19, 2012

**TO:** City Council

**FROM:** Michael Henderson, General Services Superintendent  
City Manager's Office *MH*

**SUBJECT:** Extension of Agreement with Silvas Oil Company

**RECOMMENDATION**

That City Council approve and authorize the Mayor to sign a blanket purchase order (No. 4022) with Silvas Oil Company ("Silvas"), extending the agreement for 120 days, from July 1, 2012 to October 31, 2012, in an amount not to exceed \$1,000,000, for a total contract amount of \$3,500,000, for unleaded gasoline and diesel fuel from Silvas' pumps and for off-site car wash service for City vehicles and equipment through a City fuel card system.

**DISCUSSION**

The Fleet Services Division of General Services is responsible for providing maintenance, repair, and fuel for the City's 900 plus fleet of vehicles and equipment. Fleet Services maintains and repairs the fleet at its two locations—at the Corporate Yard located at 1060 Pacific Avenue and at 111 Del Norte Boulevard.

Currently Silvas is working on a remediation plan for an underground fuel spill that has occurred at the 5<sup>th</sup> Street fueling station. Silvas is working closely with the Oxnard Fire Department and the Planning Division with its submittals for site remediation. This 120-day extension of the contract will allow Silvas time to get all of its remediation plans approved, and possibly even begin remediation, before the City would consider granting the full one-year extension allowed under the current contract.

In 2011, the City issued Request for Bids ("RFB") FS11-01 for vendor to provide:

- cardlock fuel (unleaded and diesel fuel from off-site vendor's pumps using a fuel card)
- bulk fuel and lubricants (oil, grease, and transmission fluid) delivered to select City sites
- off-site car wash service

On June 28, 2011, City Council approved the agreement with Silvas, through Blanket Purchase Order No. 3820, for the provision of cardlock fuel and car wash service in an amount not to exceed \$2,500,000 for period July 1, 2011-June 30, 2012. (Another vendor, General Petroleum Corporation,

was selected to deliver bulk fuel and lubricants per the RFB.) A provision of the blanket purchase order allows for its renewal on a year-to-year basis for a maximum period of five years.

Staff recommends extending the agreement with Silvas for 120 days from July 1, 2012-October 31, 2012, in an amount not to exceed \$1,000,000, for a total contract amount of \$3,500,000. For the 11-month period from July 1, 2011, through May 31, 2012, cardlock expenses totaled \$2,408,393 for an average monthly cost of \$218,945. Based on this amount, anticipated expenses for the 120-day period is approximately \$875,780.

The agreement with Silvas also includes off-site car wash service, using the cardlock fuel card, currently provided by Oxnard Airport Shell in partnership with Silvas which, as contractor, bills the City as part of the agreement. Fleet Services staff feels that providing a full-service car wash at the Corporate Yard is not feasible given operational costs, staffing challenges, limited space, and possible environmental compliance issues. For the 11-month period from July 2011 through May 2012, car wash expenditures totaled \$7,806 for 20 to 57 car washes per month at an average cost of \$710 per month. Typical car washes cost from \$9 to \$14 per vehicle, but a higher fee, up to \$132 per vehicle, is imposed when specialized cleanouts/decontamination of prisoner compartments in Police vehicles is needed. During the 11-month period from July 2011 through May 2012, 34 instances of these specialized cleanouts have occurred, ranging in cost from \$19 to \$132 per vehicle, depending on the extent of the cleanup. Based on a monthly average of \$710, car wash expenditures are anticipated to be approximately \$2,840 for the 120-day period from July 1, 2012, through October 31, 2012.

Advantages to renewing the agreement with Silvas include:

- Automated billing system and electronic access to fueling transaction information
- Access to any Commercial Fueling Network station statewide
- Security surveillance and alerts in case of theft
- Emergency operations support in case of disaster
- Access to car wash service at a participating vendor's facility

All other provisions of the agreement with Silvas remain the same in accordance with RFB No. FS11-01, including Silvas' bid of \$.14 per gallon above their cost for fuel and \$9-\$14 per vehicle for regular car wash service based on vehicle type and extent of cleaning, plus specialized cleaning as required by the Police Department.

## **FINANCIAL IMPACT**

The Fleet Services Division is an internal service fund, and City departments are charged for fuel and car wash service they use. Anticipated revenues for FY 2012-13 are expected to support the agreement's extension for 120 days, for period July 1, 2012-October 31, 2012, in an amount not to exceed \$1,000,000.



**BLANKET ORDER**  
 CITY OF OXNARD  
 300 WEST 3RD STREET  
 OXNARD, CA 93030

**PURCHASE  
 ORDER NO.  
 004022**

DATE: 6/18/2012

**VENDOR #:** 4505  
**VENDOR ADDRESS:** SILVAS OIL COMPANY INC  
 P.O. BOX 1048  
 FRESNO, CA 93714

**SHIP TO:** FLEET SERVICES  
 1060 PACIFIC AVE, BLDG 1  
 OXNARD, CA 93030

*Our P.O. # MUST Appear on ALL Invoices, Packages and Correspondence*

<b>DELIVER BY</b>		<b>REQUISITION #</b>	<b>REQUISITION DATE</b>	<b>CONFIRMED BY</b>	
10/31/2012				USE THIS VENDOR FOR PAYME	
<b>FOB</b>		<b>ACCOUNT NUMBER</b>		<b>AUTHORIZED BY</b>	
				HEATHER MOONEY	
<b>ITEM #</b>	<b>QUANTITY/UNIT</b>	<b>DESCRIPTION ARTICLE OR SERVICE</b>		<b>UNIT COST</b>	<b>EXTENDED COST</b>

**GASOLINE, DIESEL FUEL & CAR WASH SERVICE**

Effective date: 07/01/2012  
 Expiration date: 10/31/2012  
 Not to exceed: 1,000,000.00

GASOLINE, DIESEL FUEL AND CAR WASH SERVICE  
 THIS AGREEMENT AUTHORIZES VENDOR TO FURNISH,  
 IN ACCORDANCE WITH CITY OF OXNARD BID NO. FS-11-01  
 GASOLINE AND DIESEL FOR CITY-OWNED VEHICLES &  
 EQUIPMENT THROUGH A CARDLOCK SYSTEM AND CAR WASH  
 SERVICE USING THE SAME CARDLOCK ACCESS CARD.  
 VENDOR MUST POSSESS A CURRENT CITY OF OXNARD  
 BUSINESS TAX CERTIFICATE THROUGHOUT THE TERM OF  
 THIS AGREEMENT. SERVICE WILL BE PROVIDED 24HRS/DAY  
 365 DAYS/YR. IN THE EVENT OF A NATURAL DISASTER,  
 PRIORITY WILL BE GIVEN TO ALL CITY OF OXNARD  
 VEHICLES. VENDOR WILL PROVIDE THE FOLLOWING AT THE  
 RATE OF \$.14 ABOVE O.P.I.S. (OIL PRICE INFORMATION  
 SERVICE) DAILY RACK PRICE FOR LOS ANGELES  
 CALIFORNIA, DISTRICT #5, PLUS REQUIRED TAXES,  
 EXCLUDING FEDERAL EXCISE TAX:

1. GASOLINE, UNLEADED, REGULAR, 87 OCTANE MIN.
2. GASOLINE, UNLEADED, PREMIUM, 97 OCTANE MIN.
3. DIESEL, CARB#2, LOW SULFUR
4. FLEX FUEL (E85)



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		-		HEATHER MOONEY	
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VENDOR WILL PROVIDE BI-MONTHLY INVOICE ELECTRONICALLY, INCLUDING REQUIRED TRANSACTION INFORMATION & FORMAT, IN ACCORDANCE WITH BID NO. FS-11-01. VENDOR WILL PROVIDE L.A. O.P.I.S. PRICE UPON REQUEST. CITY WILL PAY VENDOR UPON RECEIPT OF BI-MONTHLY INVOICE & ACCOUNTS PAYABLE SCHEDULE. THIS AGREEMENT IS EFFECTIVE JULY 1, 2012 - OCTOBER 31, 2012. CITY MAY TERMINATE THIS AGREEMENT AT ANY TIME. SUCH TERMINATION WILL BE EFFECTIVE FROM DATE OF DELIVERY OR MAILING OF SUCH NOTICE.

**TOTAL PURCHASE AMOUNT** **\$0.00**

Send Original and One Copy of Invoice to:  
**PURCHASING**  
**300 W. THIRD ST, #202**  
**OXNARD, CA 93030**

AUTHORIZED SIGNATURE *Karen R. Burnham*  
 KAREN R. BURNHAM, INTERIM CITY MANAGER

AUTHORIZED SIGNATURE \_\_\_\_\_  
 Dr. Thomas E. Holden, Mayor