CITY OF
OXNARD
CALIFORNIA

Meeting Date: 11 / 27 / 12

ACTION	TYPE OF ITEM
☐ Approved Recommendation	■ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: May Roque MR Agenda Item No. I-5

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

DATE: November 14, 2012

TO: City Council

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

SUBJECT: **Agreement with Oxnard Airport Shell/MacValley Oil Company for Fuel and Car Wash Service**

RECOMMENDATION

That City Council approve and authorize the Mayor to sign a blanket purchase order (No. 4275) with Oxnard Airport Shell/MacValley Oil Company for the period from December 1, 2012, to June 30, 2013, in an amount not to exceed $2,000,000, for unleaded gasoline and diesel fuel from vendors' pumps and for off-site car wash service for City vehicles and equipment through a fuel card system.

DISCUSSION

The Fleet Services Division of General Services is responsible for providing maintenance, repair, and fuel for the City's 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.

On June 28, 2011, City Council approved the agreement with Silvas Oil Company ("Silvas Oil") through Blanket Purchase Order No. 3820 for the provision of cardlock fuel (fuel from vendor's pumps) and car wash service in an amount not to exceed $2,500,000 for the period from July 1, 2011, to June 30, 2012, as a result of bids submitted under Request for Bids ("RFB") No. FS11-01. A provision of the blanket purchase order allowed for its renewal on a year-to-year basis for a maximum period of five years.

In May 2012, Silvas Oil was working on a remediation plan for an underground fuel spill which had occurred at their Oxnard fueling station on 1230 East Fifth Street. The City considered the time it would take to complete the site's remediation and allowed the extension of the agreement with Silvas Oil for 120 days (four months) instead of a year. On June 26, 2012, City Council approved the agreement extension with Silvas Oil from July 1, 2012, to October 31, 2012, under Blanket Purchase Order No. 4022, in an amount not to exceed $1,000,000.

On September 4, 2012, as remediation on the site had not been completed, the General Services Superintendent directed Fleet Services staff to issue an RFB for Cardlock Fuel and Car Wash Service for the period from November 1, 2012, to June 30, 2013. On September 10, 2012, the City issued RFB No. FS13-01 for the provision of cardlock fuel and off-site car wash service using a fuel card system. Three vendors responded by the September 21, 2012, deadline: Silvas Oil Company, Oxnard Airport Shell & MacValley Oil Company, and DeWitt Petroleum. Based on costs, services proposed, and vendor compliance with the specifications outlined in RFB No. FS13-01, staff recommended that the contract be awarded to Silvas Oil for cardlock fuel and car wash service for the period from November 1, 2012, to June 30, 2013, in an amount not to exceed $2,000,000. However, due to concerns about the progress of achieving regulatory compliance at the 1230 East Fifth Street location, City staff recommended extending the then existing agreement with Silvas Oil for another 120 days (four months), from November 1, 2012, to February 28, 2013, in an amount not to exceed $1,000,000. On October 23, 2012, City Council approved the 120-day agreement extension under Blanket Purchase Order No. 4222.

On October 25, 2012, Silvas Oil canceled its agreement with the City effective November 4, 2012. Left without a fuel provider from November 5, 2012, until an agreement with another vendor could be approved, Fleet Services staff asked Oxnard Airport Shell and MacValley Oil Company, who had submitted a combined bid under RFB No. FS13-01, if they could accommodate the City's fuel needs during this time. They agreed, and Emergency Purchase Order No. 4259 for Oxnard Ultramar Car Wash & Detailing, Inc. (Oxnard Airport Shell) and Emergency P.O. No. 4260 for MacValley Oil Company were subsequently issued and approved by the Mayor and Interim City Manager for both vendors to provide emergency gasoline and diesel fuel to City vehicles and equipment for the period from November 5, 2012, to December 10, 2012, in an amount not to exceed $240,000 for each vendor.

Due to Silvas Oil's agreement cancellation, Fleet Services staff reconsidered the bids submitted under RFB No. FS13-01 and recommends awarding the contract to Oxnard Airport Shell/MacValley Oil Company whose bid was ranked second among the three bids received. The contract period would be from December 1, 2012, to June 30, 2013, in an amount not to exceed $2,000,000, and the contract would be administered by Shell under its Fleet Card Services Program. This contract can be extended on a year-to-year basis for a maximum contract period of five years. Based on FY 2011-12 cardlock fuel expenses of $2,607,528 and car wash expenses of $8,800, it is estimated that for the seven-month period from December 1, 2012, to June 30, 2013, cardlock fuel expenditures would amount to approximately $1,521,000, and car wash expenditures would amount to approximately $5,130.

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 for the period from December 1, 2012, to June 30, 2013, in an amount not to exceed $2,000,000.

mmoar

Attachment #1 – Emergency Blanket Purchase Order No. 4259 for Oxnard Ultramar Car Wash
#2 – Emergency Blanket Purchase Order No. 4260 for MacValley Oil Company
#3 – Blanket P.O. No. 4275 for Shell Fleet Card Services
#4 – City of Oxnard Terms and Conditions (Back of Purchase Orders)

BLANKET ORDER

CITY OF OXNARD
300 WEST 3RD STREET
OXNARD, CA 93030

PURCHASE ORDER NO. 004259

DATE: 11/1/2012

VENDOR #: 6670
VENDOR ADDRESS: OXNARD ULTRAMAR CARWASH & DETAILING INC.
655 S. VENTURA RD.
OXNARD, CA 93030

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

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

DELIVER BY	REQUISITION #	REQUISITION DATE	CONFIRMED BY
11/30/2012			USE THIS VENDOR FOR PAYME
FOB	**ACCOUNT NUMBER**		**AUTHORIZED BY**
	-		BRUCE E. DANDY

ITEM #	QUANTITY/ UNIT	DESCRIPTION ARTICLE OR SERVICE	UNIT COST	EXTENDED COST

CHANGE ORDER
EMERGENCY GASOLINE & DIESEL FUEL 11/5-12/10/12
Effective date: 11/05/2012
Expiration date: 12/10/2012
Not to exceed: 240,000.00

EMERGENCY GASOLINE AND DEISEL FUEL 11/5-12/10/12
NOT TO EXCEED $240,000.00.
SUBJECT TO TERMS AND CONDITIONS OF THE CITY OF OXNARD.

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

APPROVED ON AN EMERGENCY BASIS:

Councilmember Date

Attachment #1

BLANKET ORDER

CITY OF OXNARD
300 WEST 3RD STREET
OXNARD, CA 93030

PURCHASE ORDER NO. 004260

DATE: 11/1/2012

VENDOR #: 3025
VENDOR ADDRESS: MAC VALLEY OIL COMPANY
P.O. BOX 1149
OXNARD, CA 93032

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

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

DELIVER BY	REQUISITION #	REQUISITION DATE	CONFIRMED BY
11/30/2012			WANDA 485-6900
FOB	**ACCOUNT NUMBER**		**AUTHORIZED BY**
	-		BRUCE E. DANDY

ITEM #	QUANTITY/ UNIT	DESCRIPTION ARTICLE OR SERVICE	UNIT COST	EXTENDED COST

CHANGE ORDER
EMERGENCY GASOLINE & DIESEL FUEL 11/5-12/10/12
Effective date: 11/05/2012
Expiration date: 12/10/2012
Not to exceed: 240,000.00

EMERGENCY GASOLINE AND DEISEL FUEL 11/5-12/10/12
NOT TO EXCEED $240,000.00.
SUBJECT TO THE TERMS AND CONDITIONS OF THE CITY
OF OXNARD.

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
Interium City Manager

APPROVED ON AN EMERGENCY BASIS:

Councilmember

11/6/12
Date

Attachment #2

BLANKET ORDER

CITY OF OXNARD
300 WEST 3RD STREET
OXNARD, CA 93030

PURCHASE ORDER NO. 004275

DATE: 11/13/2012

VENDOR #: 8990
VENDOR ADDRESS: SHELL FLEET CARD SERVICES
P.O. BOX 183019
COLUMBUS, OH 43218-3019

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

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

DELIVER BY	REQUISITION #	REQUISITION DATE	CONFIRMED BY
06/30/2013			
FOB	**ACCOUNT NUMBER**		**AUTHORIZED BY**
	-		BRUCE E. DANDY

ITEM #	QUANTITY/ UNIT	DESCRIPTION ARTICLE OR SERVICE	UNIT COST	EXTENDED COST

CARDLOCK FUEL AND CAR WASH SERVICE 12/1/12-6/30/13
Effective date: 11/07/2012
Expiration date: 06/30/2013
Not to exceed: 2,000,000.00

GASOLINE, DIESEL, & CAR WASH 12/1/12-6/30/13

TOTAL PURCHASE AMOUNT	$0.00

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

AUTHORIZED SIGNATURE _____
Dr. Thomas E. Holden, Mayor

ATTEST:

_____
Daniel Martinez, City Clerk

Attachment #3

PURCHASE ORDERS
TERMS AND CONDITIONS

The City Purchasing Officer and the Vendor agree as follows:

1. Vendor shall furnish to City the labor, materials, equipment, supplies and/or services described in the Purchase Order on the reverse side hereof.
2. City shall pay to Vendor the price, or prices, specified in the Purchase Order upon delivery of the labor, materials, equipment, supplies and/or services, and acceptance thereof by the City Purchasing Officer, or upon the completion of the services to be performed and acceptance thereof.
3. If the Purchase Order is continuing in nature, City shall pay to Vendor the amount due Vendor for labor, materials, equipment or supplies furnished, or services completed and accepted.
4. Vendor shall deliver the labor, materials, equipment or supplies, or cause the services to be performed, within the time and in the manner specified in the Purchase Order. Vendor shall be excused in performance for delays resulting from causes beyond the control of Vendor.
5. If services are performed or labor furnished to City under the Purchase Order, Vendor agrees to indemnify, hold harmless and defend City, its City Council, and each member thereof, and every officer, employee, representative or agent of City, from any and all liability claims, demands, actions, damages (whether in contract or tort, including personal injury, death at any time, or property damage), costs and financial loss, including all costs and expenses and fees of litigation or arbitration, that arise directly or indirectly from any acts or omissions related to this Agreement performed by Vendor or its agents, employees, subcontractors, consultants and other persons acting on Vendor's behalf. This agreement to indemnify, hold harmless and defend shall apply whether such acts or omissions are the product of active negligence, passive negligence, willfulness or acts for which Vendor or its agents, employees, subcontractors, consultants and other persons acting on Vendor's behalf would be held strictly liable. Vendor's obligation to defend shall arise when a claim, demand or action is made or filed, whether or not such claim, demand or action results in a determination of liability or damages as to which Vendor is obligated to indemnify and hold harmless.
6. Insurance
   a) Vendor shall obtain and maintain during the performance of any services under this Agreement the following insurance coverage issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Vendor obtain and maintain such insurance coverage.
      i. Commercial general liability insurance, including a contractual liability endorsement, in an amount not less that $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability coverage (Occurrence Form CG0001ED, November 1988);
      ii. Business automobile liability insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Auto Liability Insurance Services Office coverage (Occurrence Form CA000TED, June 1992) covering Code No. 1, "any auto";
      iii. Workers' compensation insurance in compliance with the laws of the State of California, including employer's liability insurance in an amount not less than $1,000,000 per claimant.
7. Vendor, in the performance of any services or the furnishing of any labor under this Purchase Order, shall be considered an independent contractor, and Vendor and Vendor's agents and employees shall not be considered officers or employees of the City.
8. Vendor, without the written consent of the City Purchasing Officer, shall not:
   a) Assign the Purchase Order, or any interest therein, or any money due thereunder; or
   b) Make any changes, alterations or variations in the terms of the Purchase Order.
9. The cost of inspection on deliveries, or offers to make deliveries that do not meet specifications, will be paid by Vendor or deducted by City from amounts due Vendor.
10. Vendor shall indemnify and hold harmless City, its officers and employees, from liability, claims, loss or expense of any kind or nature on account of any copyrighted or uncopyrighted composition, patented or unpatented process or invention, article or appliance furnished or used under this Purchase Order.
11. Vendor shall comply with all applicable federal, state and local ordinance, laws and regulations and shall obtain and pay for all required licenses and permits, including a City of Oxnard business license.
12. Return or exchange of materials, equipment or supplies will not be permitted without written approval by the City Purchasing Officer.
13. All materials, supplies and equipment furnished under the Purchase Order shall, where applicable, be in full compliance with the Safety Orders and Regulations of the Division of Industrial Safety of the State of California and the Williams-Steiger Federal Occupational Health and Safety Act of 1970.
14. City may terminate this Purchase Order at any time by giving written notice of termination to Vendor. If termination is for cause, termination shall become effective on the date of the notice or at a later date, specified in the notice. If termination is without cause, termination shall become effective five days after the date of the notice or at a later date specified in the notice.
15. Vendor shall comply with all applicable equal employment opportunity requirements of the California Department of Fair Employment and Housing in performing or contracting for any services under this Purchase Order.
16. For public projects, Vendor shall pay prevailing wages in accordance with Labor Code Sections 1720 et seq.

ADDITIONAL REQUIREMENTS FOR GRANT-FUNDED PROJECTS

17. The following requirements apply to any Purchase Order funded in whole or in part by federal grant funds.
    a) Upon expiration of the time specified on the reverse side, this Purchase Order shall terminate unless City and Vendor have mutually agreed in writing to an extension of time.
    b) If legal action is brought by either party because the other has failed to comply with terms or conditions of this Purchase Order, the prevailing party shall be awarded its attorney's fees and costs in addition to its damages and/or equitable relief.
    c) Vendor shall comply with all applicable requirements of Executive Order 11246 as amended by Executive Order 11375 and the regulations adopted pursuant thereto (41 CFR Chapter 60), which provide that no person shall be discriminated against on the basis of race, color, religion, sex or national origin.
    d) Vendor sill insure that the grantee (City), the Federal Grantor Agency, the Comptroller General of the United States, or any duly authorized representative, shall be access to any books, records, documents and papers, specifically relating to this Purchase Order, for the purpose of making audit, examination, excerpts and transcriptions for not less than three years after completion of the project and/or until the completion of the final project audit as required by the Federal Grants Agency.