



# ATTACHMENT A

## City of Palo Alto City Manager's Report

# 5

**TO: HONORABLE CITY COUNCIL**

**FROM: CITY MANAGER**

**DEPARTMENT: PUBLIC WORKS**

**DATE: DECEMBER 10, 2007**

**CMR:442:07**

**SUBJECT: APPROVAL OF A PURCHASE ORDER WITH WESTERN STATES OIL FOR A PERIOD OF UP TO 3 YEARS IN THE AMOUNT OF \$944,000 PER YEAR FOR A TOTAL AMOUNT NOT TO EXCEED \$2,832,000 FOR PROVISION OF AUTOMOTIVE FUEL**

### RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the Mayor to execute a purchase order with Western States Oil in the amount of \$944,000 for the provision of automotive fuel for a one year period from December 17, 2007 to December 16, 2008; and
2. Authorize the City Manager or his designee to exercise the option to renew the purchase order in the amount of \$944,000 for the second and \$944,000 third year, provided the contractor is responsive to the City's needs, and the quality of the contractor's products and service is acceptable during the first year of the contract.

### DISCUSSION

Western States Oil will furnish unleaded gasoline, diesel, and biodiesel fuel, in accordance with City specifications, and at the Oil Price Information Service (OPIS) San Jose "rack average" price in effect on the date of delivery. Fuel will be delivered into tanks located at the Municipal Services Center, Landfill, Golf Course, Fire Stations One, Two, and Four, Water Quality Control Plant, Foothills Park, Civic Center, and several standby generator sites.

#### Summary of Bid Process

Bid Name/Number	Automotive Fuel Services – RFQ #124799
Proposed Length of Purchase Order	12 months with option to renew
Number of Bids Mailed to Contractors	6
Total Days to Respond to Bid	20
Pre-Bid Meeting?	No
Number of Bids Received:	4*
Bid Price Range	\$944,048 - \$1,010,964**

\* Bid summary provided in Attachment A. The Certification of Nondiscrimination is Attachment B.

\*\* First year cost only, based on OPIS November 7, 2007 San Jose Rack Average fuel pricing.

Staff has reviewed all bids submitted and recommends that the bid submitted by Western States Oil be accepted and that Western States Oil be declared the lowest responsible bidder. The change order amount of \$94,400, which equals 10 percent of the total contract, is requested to insure against the volatility of fuel prices, which are expected to increase during the term of the purchase order.

Contractors bid delivery pricing and margin only. Fuel pricing is determined by the OPIS index, which changes on a daily basis. The contract value of \$944,000 was determined by multiplying the delivered cost of the fuel (based on the November 7, 2007 OPIS index) by the estimated quantity required at each site. The actual cost may be higher or lower than the estimate of \$944,000, subject to fuel market trends.

**RESOURCE IMPACT**

Funding in the amount of \$500,000 has been budgeted for fuel costs in the FY 2007-08 Public Works Department Equipment Management Operations and Maintenance budget. In order to insure that adequate funding is available for this contract, the budget will be amended at mid-year for an additional \$444,000. This additional amount will be recovered from departments via a corresponding increase in allocated charges.

**POLICY IMPLICATIONS**

Authorization of the contract does not represent any change to the existing policy.

**ENVIRONMENTAL REVIEW**


Contractor is required to comply with all federal, state and local environmental laws and regulations applicable to the transportation and delivery of automotive fuels.

**ATTACHMENTS**

Attachment A: Bid Summary

Attachment B: Certification of Nondiscrimination

PREPARED BY:



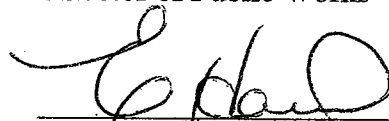
\_\_\_\_\_  
KEITH LAHAIE  
Fleet Manager

DEPARTMENT HEAD:



\_\_\_\_\_  
GLENN ROBERTS  
Director of Public Works

CITY MANAGER APPROVAL:



\_\_\_\_\_  
EMILY HARRISON  
Assistant City Manager

Request for Quatations (RFQ) 124799  
 AUTOMOTIVE FUEL DELIVERY SERVICES  
 BID SUMMARY

Western States Oil												
Item	PPG Yr1	Del Yr1	Gal	Total Yr1	PPG Yr2	Del Yr2	Total Yr2	Total Yr2	PPG Yr 3	Del Yr3	Total Yr3	Grand Total
1	2.6609	0.00775	120,000	320,238.00	2.6609	0.00798	320,265.90	320,265.90	2.6609	0.0082221975	320,294.64	\$960,798.54
2	2.8075	0.00999	75,000	211,311.75	2.8075	0.01029	211,334.23	211,334.23	2.8075	0.010598391	211,357.38	\$634,003.36
3	2.77	0.07	60,000	170,400.00	2.77	0.0721	170,526.00	170,526.00	2.77	0.074263	170,655.78	\$511,581.78
4	2.6609	0.09	4,500	12,379.05	2.6609	0.0927	12,391.20	12,391.20	2.6609	0.095481	12,403.71	\$37,173.96
5	2.8075	0.09	3,500	10,141.25	2.8075	0.0927	10,150.70	10,150.70	2.8075	0.095481	10,160.43	\$30,452.38
6	2.6609	0.09	1,000	2,750.90	2.6609	0.0927	2,753.60	2,753.60	2.6609	0.095481	2,756.38	\$8,260.88
7	2.8075	0.09	1,000	2,897.50	2.8075	0.0927	2,900.20	2,900.20	2.8075	0.095481	2,902.98	\$8,700.68
8	2.6609	0.09	27,000	74,274.30	2.6609	0.0927	74,347.20	74,347.20	2.6609	0.095481	74,422.29	\$223,043.79
9	2.8075	0.09	10,000	28,975.00	2.8075	0.0927	29,002.00	29,002.00	2.8075	0.095481	29,029.81	\$87,006.81
10	2.6609	0.09	10,000	27,509.00	2.6609	0.0927	27,536.00	27,536.00	2.6609	0.095481	27,563.81	\$82,608.81
11	2.8075	0.09	12,500	36,218.75	2.8075	0.0927	36,252.50	36,252.50	2.8075	0.095481	36,287.26	\$108,758.51
12	2.6609	0.09	7,000	19,256.30	2.6609	0.0927	19,275.20	19,275.20	2.6609	0.095481	19,294.67	\$57,826.17
13	2.8075	0.09	3,500	10,141.25	2.8075	0.0927	10,150.70	10,150.70	2.8075	0.095481	10,160.43	\$30,452.38
14	2.8075	0.09	1,000	2,897.50	2.8075	0.0927	2,900.20	2,900.20	2.8075	0.095481	2,902.98	\$8,700.68
15	2.8075	0.09	1,600	4,636.00	2.8075	0.0927	4,640.32	4,640.32	2.8075	0.095481	4,644.77	\$13,921.09
16	2.8075	0.09	500	1,448.75	2.8075	0.0927	1,450.10	1,450.10	2.8075	0.095481	1,451.49	\$4,350.34
17	2.8075	0.05	3,000	8,572.50	2.8075	0.0515	8,577.00	8,577.00	2.8075	0.053045	8,581.64	\$25,731.14
<b>TOTALS FOR ALL SITES</b>				<b>\$944,047.80</b>			<b>\$944,453.05</b>	<b>\$944,453.05</b>			<b>\$944,870.45</b>	<b>\$2,833,371.30</b>

Coast Oil Company												
Item	PPG Yr1	Del Yr1	Gal	Total Yr1	PPG Yr2	Del Yr2	Total Yr2	Total Yr2	PPG Yr 3	Del Yr3	Total Yr3	Grand Total
1	2.6609	0.0303	120,000	322,944.00	2.6609	0.0303	322,944.00	322,944.00	2.6609	0.0303	322,944.00	\$968,832.00
2	2.8075	0.0342	75,000	213,127.50	2.8075	0.0342	213,127.50	213,127.50	2.8075	0.0342	213,127.50	\$639,382.50
3	2.813	0.14	60,000	177,180.00	2.813	0.14	177,180.00	177,180.00	2.813	0.14	177,180.00	\$531,540.00
4	2.6609	0.14	4,500	12,604.05	2.6609	0.14	12,604.05	12,604.05	2.6609	0.14	12,604.05	\$37,812.15
5	2.8075	0.14	3,500	10,316.25	2.8075	0.14	10,316.25	10,316.25	2.8075	0.14	10,316.25	\$30,948.75
6	2.6609	0.14	1,000	2,800.90	2.6609	0.14	2,800.90	2,800.90	2.6609	0.14	2,800.90	\$8,402.70
7	2.8075	0.14	1,000	2,947.50	2.8075	0.14	2,947.50	2,947.50	2.8075	0.14	2,947.50	\$8,842.50
8	2.7559	0.14	27,000	78,189.30	2.7559	0.14	78,189.30	78,189.30	2.7559	0.14	78,189.30	\$234,567.90
9	2.8075	0.14	10,000	29,475.00	2.8075	0.14	29,475.00	29,475.00	2.8075	0.14	29,475.00	\$88,425.00
10	2.6609	0.14	10,000	28,009.00	2.6609	0.14	28,009.00	28,009.00	2.6609	0.14	28,009.00	\$84,027.00
11	2.8075	0.14	12,500	36,843.75	2.8075	0.14	36,843.75	36,843.75	2.8075	0.14	36,843.75	\$110,531.25
12	2.6609	0.14	7,000	19,606.30	2.6609	0.14	19,606.30	19,606.30	2.6609	0.14	19,606.30	\$58,818.90
13	2.8075	0.14	3,500	10,316.25	2.8075	0.14	10,316.25	10,316.25	2.8075	0.14	10,316.25	\$30,948.75
14	2.8075	0.14	1,000	2,947.50	2.8075	0.14	2,947.50	2,947.50	2.8075	0.14	2,947.50	\$8,842.50
15	2.8075	0.14	1,600	4,716.00	2.8075	0.14	4,716.00	4,716.00	2.8075	0.14	4,716.00	\$14,148.00
16	2.8075	0.14	500	1,473.75	2.8075	0.14	1,473.75	1,473.75	2.8075	0.14	1,473.75	\$4,421.25
17	2.8075	0.14	3,000	8,842.50	2.8075	0.14	8,842.50	8,842.50	2.8075	0.14	8,842.50	\$26,527.50
<b>TOTALS FOR ALL SITES</b>				<b>\$962,339.55</b>			<b>\$962,339.55</b>	<b>\$962,339.55</b>			<b>\$962,339.55</b>	<b>\$2,887,018.65</b>

Request for Quotations (RFQ) 124799  
 AUTOMOTIVE FUEL DELIVERY SERVICES  
 BID SUMMARY

San Francisco Petroleum												
Item	PPG Yr1	Del Yr1	Gal	Total Yr1	PPG Yr2	Del Yr2	Total Yr2	PPG Yr 3	Del Yr3	Total Yr3	Grand Total	
1	2.6609	0.0255	120,000	322,368.00	2.6609	0.02601	322,429.20	2.6609	0.0265302	322,491.62	\$967,288.82	
2	2.8084	0.028	75,000	212,730.00	2.8084	0.02856	212,772.00	2.8084	0.0291312	212,814.84	\$638,316.84	
3	2.72	0.69	60,000	204,600.00	2.72	0.7038	205,428.00	2.72	0.717876	206,272.56	\$616,300.56	
4	2.6609	0.733	4,500	15,272.55	2.6609	0.74766	15,338.52	2.6609	0.7626132	15,405.81	\$46,016.88	
5	2.8084	0.733	3,500	12,394.90	2.8084	0.74766	12,446.21	2.8084	0.7626132	12,498.55	\$37,339.65	
6	2.6609	0.44	1,000	3,100.90	2.6609	0.4488	3,109.70	2.6609	0.457776	3,118.68	\$9,329.28	
7	2.8084	0.44	1,000	3,248.40	2.8084	0.4488	3,257.20	2.8084	0.457776	3,266.18	\$9,771.78	
8	2.6609	0.38	27,000	82,104.30	2.6609	0.3876	82,309.50	2.6609	0.395352	82,518.80	\$246,932.60	
9	2.8084	0.38	10,000	31,884.00	2.8084	0.3876	31,960.00	2.8084	0.395352	32,037.52	\$95,881.52	
10	2.6609	0.325	10,000	29,859.00	2.6609	0.3315	29,924.00	2.6609	0.33813	29,990.30	\$89,773.30	
11	2.8084	0.325	12,500	39,167.50	2.8084	0.3315	39,248.75	2.8084	0.33813	39,331.63	\$117,747.88	
12	2.6609	0.57	7,000	22,616.30	2.6609	0.5814	22,696.10	2.6609	0.593028	22,777.50	\$68,089.90	
13	2.8084	0.57	3,500	11,824.40	2.8084	0.5814	11,864.30	2.8084	0.593028	11,905.00	\$35,593.70	
14	2.8084	0.78	1,000	3,588.40	2.8084	0.7956	3,604.00	2.8084	0.811512	3,619.91	\$10,812.31	
15	2.8084	0.38	1,600	5,101.44	2.8084	0.3876	5,113.60	2.8084	0.395352	5,126.00	\$15,341.04	
16	2.8084	0.93	500	1,869.20	2.8084	0.9486	1,878.50	2.8084	0.967572	1,887.99	\$5,635.69	
17	2.8084	0.27	3,000	9,235.20	2.8084	0.2754	9,251.40	2.8084	0.280908	9,267.92	\$27,754.52	
<b>TOTALS FOR ALL SITES</b>				<b>\$1,010,964.49</b>			<b>\$1,012,630.98</b>			<b>\$1,014,330.80</b>	<b>\$3,037,926.27</b>	

Valley Oil												
Item	PPG Yr1	Del Yr1	Gal	Total Yr1	PPG Yr2	Del Yr2	Total Yr2	PPG Yr 3	Del Yr3	Total Yr3	Grand Total	
1	2.6609	0.005	120,000	319,908.00	2.6609	0.00505	319,914.00	2.6609	0.0051005	319,920.06	\$959,742.06	
2	2.8075	0.011	75,000	211,387.50	2.8075	0.01111	211,395.75	2.8075	0.0112211	211,404.08	\$634,187.33	
3	2.781	0.1	60,000	172,860.00	2.781	0.101	172,920.00	2.781	0.10201	172,980.60	\$518,760.60	
4	2.6609	0.065	4,500	12,266.55	2.6609	0.06565	12,269.48	2.6609	0.0663065	12,272.43	\$36,808.45	
5	2.8075	0.07	3,500	10,071.25	2.8075	0.0707	10,073.70	2.8075	0.071407	10,076.17	\$30,221.12	
6	2.6609	0.065	1,000	2,725.90	2.6609	0.06565	2,726.55	2.6609	0.0663065	2,727.21	\$8,179.66	
7	2.8075	0.07	1,000	2,877.50	2.8075	0.0707	2,878.20	2.8075	0.071407	2,878.91	\$8,634.61	
8	2.742	0.065	27,000	75,789.00	2.742	0.06565	75,806.55	2.742	0.0663065	75,824.28	\$227,419.83	
9	2.8075	0.07	10,000	28,775.00	2.8075	0.0707	28,782.00	2.8075	0.071407	28,789.07	\$86,346.07	
10	2.6609	0.065	10,000	27,259.00	2.6609	0.06565	27,265.50	2.6609	0.0663065	27,272.07	\$81,796.57	
11	2.8075	0.07	12,500	35,968.75	2.8075	0.0707	35,977.50	2.8075	0.071407	35,986.34	\$107,932.59	
12	2.6609	0.065	7,000	19,081.30	2.6609	0.06565	19,085.85	2.6609	0.0663065	19,090.45	\$57,257.60	
13	2.8075	0.07	3,500	10,071.25	2.8075	0.0707	10,073.70	2.8075	0.071407	10,076.17	\$30,221.12	
14	2.8075	0.07	1,000	2,877.50	2.8075	0.0707	2,878.20	2.8075	0.071407	2,878.91	\$8,634.61	
15	2.8075	0.08	1,600	4,620.00	2.8075	0.0808	4,621.28	2.8075	0.081608	4,622.57	\$13,863.85	
16	2.8075	0.08	500	1,443.75	2.8075	0.0808	1,444.15	2.8075	0.081608	1,444.55	\$4,332.45	
17	2.8075	0.08	3,000	8,662.50	2.8075	0.0808	8,664.90	2.8075	0.081608	8,667.32	\$25,994.72	
<b>TOTALS FOR ALL SITES</b>				<b>\$946,644.75</b>			<b>\$946,777.31</b>			<b>\$946,911.19</b>	<b>\$2,840,333.24</b>	

CERTIFICATION OF NONDISCRIMINATION

SECTION II

Project: Automotive Fuel Delivery Services

**Certification of Nondiscrimination:** As suppliers of goods and/or services to the City of Palo Alto in excess of \$5,000, the firm, contractor or individual(s) listed below certify that: they do not and in the performance of this contract they will not discriminate in employment of any person because of race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person; and further certify that they are in compliance with all Federal, State and local directives and executive orders regarding nondiscrimination in employment.

Firm: WESTERN STATES OIL CO. DATE: 11/20/07

Title of Officer Signing: President

Signature: 