

W.4.C.3.

AGENDA COVER MEMO

Memorandum Date: May 24, 2007

Order Date: June 13, 2007

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 PetroCard Systems, Inc., for the Purchase of Cardlock Fuel and Fueling Services in Florence, Contract No. RFP06/07 FS-02.

I. MOTION

MOVE TO AWARD A THREE YEAR REQUIREMENTS CONTRACT TO PETROCARD SYSTEMS, INC., FOR THE PURCHASE OF CARDLOCK FUEL AND FUELING SERVICES IN FLORENCE, AS SPECIFIED IN CONTRACT RFP06/07 FS-02.

II. ISSUE OR PROBLEM

Shall Lane County approve awarding a contract to PetroCard Systems, Inc., for the purchase of cardlock fuel and fueling services in Florence?

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Lane County Department of Public Works has contracted for cardlock fuel and fueling services in the Florence area since 1992 when the underground fuel storage tanks at the Florence shop were decommissioned.

During the twelve month period ending April 30, 2007, Public Works purchased 37,257 gallons of diesel and unleaded gasoline, at a cost of \$91,021.

Public Works solicited bids via a Request for Proposal (RFP) process. Criteria included 24-hour/seven day per week availability, a convenient location, and a cardlock self-service operation.

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 Siuslaw News on May 2, 2007 and opened on May 22, 2007. The County received two responses to the RFP solicitation: PetroCard Systems, Inc., and Tyree Oil, Inc. Both firms offered the same fueling location – a Pacific Pride station located four blocks from the Florence Public Works Shop.

The RFP required a price quote for diesel and unleaded gasoline based on xx cents above or below the published wholesale rack fuel price at 12:01 a.m., Thursday, May 17, 2007 as a basis to evaluate the proposals. Actual pricing for all fuel purchases will be calculated by adding xx cents above or below the published wholesale rack fuel price on the date of each purchase.

PetroCard Systems, Inc., quoted diesel at \$2.539/gallon, including \$0.24/gallon state tax that will be refunded to the County, (reducing the actual price per gallon to \$2.299/gallon) and unleaded gasoline at \$3.029/gallon, which is \$0.09 above published wholesale rack price. Tyree Oil, Inc., quoted diesel at \$2.3171/gallon and unleaded gasoline at \$3.1226/gallon or \$0.05 above an internal *Intra-Company Transfer Price document* in lieu of the published wholesale rack price as specified in the RFP. The following day, Public Works received a FAX transmission from Tyree Oil, Inc., requesting to rescind their bid.

F. Alternatives/Options

1. Approve entering into a requirements contract with PetroCard Systems, Inc., and delegate the County Administrator authority to execute the contract. Contracting for fuel provides a lower price than purchasing fuel from retail stations. A cardlock station also provides additional security and ease in record keeping of fuel transactions with additional management information. Reports include time, date, gallons, and cost for every transaction and summary data including miles per gallon and total fuel purchased per vehicle.
2. Do not enter into the contract.

IV. Timing/Implementation

Upon approval of the Board, a contract will be executed between PetroCard Systems Inc., and the County Administrator.

V. Recommendation

It is recommended that the Board approve entering into a requirements contract with PetroCard Systems Inc., for fuel and fueling services in Florence as specified in RFP06/07 FS-02, and delegate the County Administrator authority to execute the contract.

VI. Follow-up

None.

VII. Attachments

Board Order

Bid Summary

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER) IN THE MATTER OF AWARDING A
) THREE YEAR REQUIREMENTS
) CONTRACT TO PETROCARD SYSTEMS
) FOR THE PURCHASE OF CARDLOCK
) FUEL AND FUELING SERVICES IN
) FLORENCE, CONTRACT NO. RFP06/07
) FS-02

WHEREAS, bids were received on May 22, 2007, for providing cardlock fuel and fueling services in the Florence area; and

WHEREAS, the lowest responsive bid to conform to bid specifications was received from PetroCard Systems, 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 PetroCard Systems for cardlock 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 5-29-07 lane county

OFFICE OF LEGAL COUNSEL

RFP 06/07 FS-02 Bid Summary

CARDLOCK FUEL AND FUELING SERVICES IN FLORENCE

<u>Proposer</u>	<u>Diesel</u>	<u>Unleaded Gasoline</u>
<i>PetroCard Systems, Inc</i>	2.539	
State tax refund	<u><.24></u>	
	2.299	3.029
<i>Tyree Oil, Inc.</i>	2.3171	3.1226