



# City of League City, TX

300 West Walker  
League City TX 77573

## Text File

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### Title

Consider and take action on a resolution authorizing a three-year agreement with Apache Oil Company for the purchase and delivery of fuel and petroleum products in an amount not to exceed \$2,130,000 (Director of Public Works)

### ..Background:

Approval of this resolution will authorize an agreement with Apache Oil Company for the purchase and delivery of unleaded and diesel fuels to three fueling locations within the City and the necessary lubricants for operating and maintaining fleet units for a three year period beginning October 1, 2020 through September 30, 2023 with two (2) one-year renewal options.

On June 23, 2020 the City issued a Request for Proposal (RFP) #20-FLEET-008 for this item. Six (6) responses were received on July 21, 2020 from: Apache Oil Company, Bay Oil Company, Southwestern Petroleum, Indigo Energy, Suncoast Resources, and Pinnacle Petroleum. Only three (3) firms (Apache Oil Company, Bay Oil Company, and Suncoast Resources) met the qualifications outlined in the RFP. A three-member evaluation team comprised of City staff (Director of Public Works, Fleet Manager, and Fleet Service and Parts Lead) evaluated all proposals. Each committee member scored the qualified bidders based on the following criteria:

- Qualifications and Experience - 20 pts
- Pricing and Fees (lowest bid/other bid x 35 = Proposer's Price Score) - 35 pts
- Emergency Response Plan - 20 pts
- Project Methodology - 15 pts
- References - 10 pts

Cumulative totals from three (3) committee members are as follows:

	<u>Apache Oil</u>	<u>Bay Oil</u>	<u>Suncoast</u>
Qualifications and Experience - 20 pts	40	12	12
Pricing and Fees - 35 pts	95.8	105	86.6
Emergency Response Plan - 20 pts	40	28	12
Project Methodology - 15 pts	9	9	3
References - 10 pts	<u>22</u>	<u>20</u>	<u>18</u>
Totals	206.8	174.0	131.6

Of the final three proposals, Apache Oil Company resulted in the highest overall scoring.

Even though Apache Oil was the second low bidder on price, they were selected based on the following:

- Highest cumulative points
- Explementary service during times of weather-related emergencies i.e. Hurricane Ike and Hurricane Harvey
- Ability to service up to 40 remote city service locations (generators); Facilities, Sanitary Sewer Lift Stations and Water Pump Stations
- Dependable, proven experience in providing valued products in a timely manner
- Established history of quality customer service

The three-year contract total is based on the three following components:

1. Fuel - pricing is determined on a daily basis by the Oil Price Information Service (OPIS). OPIS provides daily fuel pricing based on pertinent regional petroleum market influences. The average cost per gallon of \$1.95 for unleaded and \$2.09 for diesel is derived from historical data from the past three years. These prices are utilized to calculate the contract value.

2. Delivery - the cost for delivery service is represented as a price per gallon above the OPIS market rate. Apache Oil proposes a cost of \$0.25 per gallon for unleaded fuel and \$0.45 per gallon for diesel fuel. Bay Oil's bid was \$0.14 per gallon for unleaded and diesel (for deliveries of up to 4,000 gallons), but as identified above they did not score as high in the other categories.

3. Lubricants - oil, grease, hydraulic fluid, aerosol lubricants, etc. for fleet vehicles and heavy equipment. Apache Oil submitted annual cost of \$27,768 X 3 years = \$83,304.

An amount of \$249,216 was added to the estimated three-year contract value to address potential fuel price volatility.

The following costs represents the estimated three-year contract total (\$710,000 annually):

Petroleum (unleaded & diesel)	\$1,567,080
Delivery Fees	\$ 230,400
Lubricants	<u>\$ 83,304</u>
Three-Year Total	\$1,880,784
Potential Fuel Price Volatility	<u>\$ 249,216</u>
Not to Exceed Total	\$2,130,000

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Agreement with Apache Oil Company
4. Evaluation Scoring Matrix Summary
5. Vendor Report Card

#### FUNDING

{X} Funds are available in FY2021 from Motor Pool Fund. Funding in FY2021 totaling \$710,000 includes:

- \$613,948 to account 40103600-51455 Fuel Inventory Expense,
- \$23,691 to account 40103600-51457 Fuel Inventory Expense-FS #3,
- \$40,826 to account 40103600-51458 Fuel Inventory expense-FS #4 and

\$31,535 to account 10203600-52300 Vehicle Repair & Maintenance.

The remaining \$1,420,000 will be split in FY2022 and FY2023.

#### STRATEGIC PLANNING

{X} Develop and Maintain Our Infrastructure