

Agenda Report

To: CITY COUNCIL **DATE:** July 24, 2000
FROM: CITY MANAGER
SUBJECT: AUTHORIZATION TO ISSUE A PURCHASE ORDER CONTRACT
WITH G.P. RESOURCES, INC. FOR FLEET FUEL

RECOMMENDATION

It is recommended that the City Council authorize the Purchasing Administrator to issue a purchase order contract to G.P. Resources, Inc. in amounts necessary to meet the City's annual fuel needs for the purchase of fuel for the City's fleet vehicles. The contract is for a one-year period with two optional one-year extensions, without further City Council review. The proposed purchase order contract is exempt from competitive bidding pursuant to City Charter section 1002 [H], contracts with other government entities or their contractors.

It is further recommended that the City Council grant this purchase order an exemption from the competitive selection process of the Affirmative Action in Contracting Ordinances pursuant to section 4.09.060 [C], contracts for which the City's best interest are served.

BACKGROUND

Since 1992, the cities of Pasadena, Glendale and Burbank have pooled their purchasing power in order to achieve economies of scale when purchasing vehicle fuel. The most recent bid was undertaken in 1996. As a result of that process, each city awarded purchase orders to Falcon Fuels, Inc. and Ultrimar, Inc. to provide for their diesel and unleaded fuel needs. Each city has continued to extend these fuel contracts to meet their fuel needs until this year.

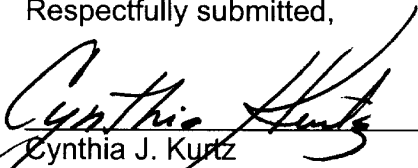
On May 10, 2000, a new tri-city bid process was initiated with the City of Glendale taking primary responsibility for coordinating the bid process. The bid required bidders to submit pricing based on the Oils Price Information Service (O.P.I.S.) market index for the Los Angeles area. The bid specifications established a fixed mark-up/discount rate coupled with the O.P.I.S. which rises and falls as a function of the oil market.

There were a total of six bidders with G.P. Resources being the lowest responsive bidder in all of the fuel categories. Therefore, it is recommended that the City Council authorize the issuance of a purchase order contract to G.P. Resources for a one-year period. The contract may be extended for a period of up to two additional one-year periods, with the approval of the City Manager and without further City Council approval.

FISCAL IMPACT

Funds for the purchase for fuel are provided for in the Fleet Maintenance account 462200. The amount of fuel purchased is a function of the City's needs. Fuel purchases for the last six months have amounted to approximately \$400,000.

Respectfully submitted,


Cynthia J. Kurtz
City Manager

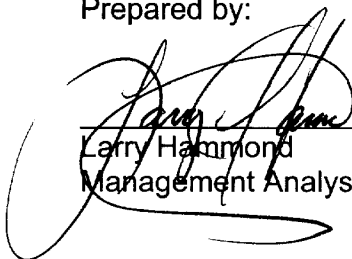
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