

Council Business Meeting

August 1, 2017

Title: Contract Addendum - Hays Oil Company for Bulk Fuel

From: Michael Black Parks Director

michael.black@ashland.or.us

Summary:

This is a request for approval to extend an existing contract with Hays Oil Company for bulk fuel (Unleaded and B5 Bio Diesel) delivered to the Parks shop at Oak Knoll Golf Course. Hays Oil Company was awarded a contract resulting from a competitive solicitation (Intermediate Procurement) for an initial term of one year (July 18, 2016 to July 17, 2017) with the option to extend the contract for up to two (2) additional years for a maximum term of three (3) years. Staff is recommending the contract be extended the remaining and allowable two (2) years until July 17, 2019.

Actions, Options, or Potential Motions:

The Council, acting as the Local Contract Review Board, moves to approve the contract addendum to extend the contract until July 17, 2019.

Staff Recommendation:

Staff recommends the public contract be extended until July 17, 2019.

Resource Requirements:

Funds are budgeted each fiscal year for Parks bulk fuel (Unleaded and B5 Bio Diesel). The cost for Parks bulk fuel has ranged from \$6,500 to \$8,700 per fiscal year over the previous three (3) fiscal years.

FY 2015 - \$8,700

FY 2016 - \$6,500

FY 2017 - \$7,000

Policies, Plans and Goals Supported:

N/A

Background and Additional Information:

None

Attachments:

Hays Oil Company Fuel Bid for Ashland Parks Shop



PO BOX 1220 Medford OR 97501
(800)-452-6555

July 8, 2016

City of Ashland
90 N. Mountain Avenue
Ashland OR 97520
Fax: 541-488-5320
Email kari.olson@ashland.or.us

Attn: Purchasing Representative, Kari Olson

Re: Fuel Bid for Ashland Parks Shop

Ms. Kari Olson,
The pricing for this bid offering will be based on the following.

- Eugene Oregon OPIS Average 10:00 AM EDT report, dated 7/7/2016.
- Deliveries to Ashland are made on a weekly basis using a bobtail truck.
- The fuels available for delivery are those that are provided at the Eugene Oregon fuel terminal.
 - Regular Unleaded 10% Ethanol
 - B5 biodiesel Undyed, Bio component is in diesel when picked up in Eugene. Manufacturer name of Bio component unknown. *(Additive \$6.95 to treat 100 gallons)*
- Price of fuel and markup.
 - Regular Unleaded 10% Ethanol
 - OPIS Price \$1.625, Markup \$0.181, Tax \$0.30271 Total \$2.1087
 - B5 Biodiesel Undyed
 - OPIS Price \$1.650, Markup \$0.181, Tax \$0.00286 Total \$1.8339

If you have any questions, contact Steven Hays, 541-772-2053 ex 1009 or email shays@haysoil.com.

Thanks you for the opportunity to bid on your fuel needs.

Sincerely,

Steven Hays

1890 So. Pacific Hwy.
Medford OR 97501
541-772-2053
Fax 541-779-2602

529 NE F Street
Grants Pass OR 97526
541-476-2218
Fax 541-476-9936

191 Bateman Drive
Central Point OR 97502
541-664-6640
Fax 541-664-1364

8290 14th Street
White City OR 97503
541-826-5550
Fax 541-826-3864



**City of Ashland
Invitation to Bid
FUEL DELIVERY**

Bids are due prior to 2:00pm (PST), Tuesday, July 12, 2016

The City of Ashland is requesting bids for periodic fuel deliveries at the Ashland Parks Shop located next to the Oak Knoll Golf Course.

The successful contractor will be required to enter into a contract with the City and provide Certificates of Insurance for General Liability, Commercial/Business Automobile and Workers' Compensation, including the City of Ashland listed as additional insured. A valid City of Ashland business license will also be required.

The City intends to award a contract for one year, with the option to renew the contract annually for up to two additional year for a maximum term of three (3) years.

Tank:

1,500 Gallon Tank: **B-5 Bio-Diesel** – 500 Gallons
Unleaded – 1,000 Gallons

Additive:

Additive for cold weather and lubrication is to be added and pre-mixed with B-5 Bio-Diesel prior to each delivery continuously all year.

Location:

Ashland Park Shop (Next to Oak Knoll Golf Course)
3070 Highway 66
Ashland, OR 97520

Types of fuel:

E-10 Ethenol Unleaded 87 Octane
B-5 Bio-Diesel (**Not** to exceed B-5 – No longer require dyed fuel)

Fuel Deliveries

During the past year, fuel was delivered every two weeks or two times per month.

Pricing method for fuel:

Price of fuel will be calculated by using the Eugene "AM" OPIS (Oil Price Index Service) rack average plus markup for both unleaded and diesel fuel.

Applicable taxes:

Diesel – No federal tax, no state tax, leak and spill taxes applicable

Unleaded – No federal tax, state excise tax and leak & spill taxes applicable

Note: Please let us know if the applicable taxes noted above are not accurate.

Please provide an official bid on company letterhead, including the following information:

1. Delivery schedule for Ashland and type of truck delivery (truck & trailer or bobtail truck)
2. Types of fuel that can be provided
3. Detailed breakdown of fuel prices:
 - a. price for each type of fuel
 - b. manufacturer name and price for pre-mixed additive (B-5 Bio-Diesel only)
 - c. Provide actual markup percentage (%) or amount (\$) that will be added to the Eugene AM OPIS rack average for each type of fuel
 - d. applicable taxes
 - e. cost per gallon to deliver fuel
4. Provide actual pricing that would be calculated on **THURSDAY, JULY 7, 2016** for 500 gallons of each type of fuel - Unleaded and B-5 Bio-Diesel with pre-mixed additive delivered complete.

Due date and time:

Bids are due prior to **2:00 PM, Tuesday, July 12, 2016**

Late or incomplete bids will **not** be considered.

Bids will be received at the following location:

Kari Olson
Purchasing Representative
City of Ashland
90 N. Mountain Avenue
Ashland, OR 97520
Tel: 541-488-5354
Fax: 541-488-5320
Email: kari.olson@ashland.or.us

Method of Award: ORS 279B.070 Intermediate Procurements. (4) If a contract is awarded, the contracting agency shall award the contract to the offeror whose quote or proposal will best serve the interests of the contracting agency, taking into account price as well as considerations including, but not limited to, experience, expertise, product functionality, suitability for a particular purpose and contractor responsibility under ORS 279B.110

If you have any **questions and/or need additional information**, you are welcome and encouraged to call me at (541) 488-5354.

Thank you in advance for your time and efforts.

Respectfully,



Kari Olson
Purchasing Representative