



Interoffice Memorandum

September 6, 2018

TO: Mayor Teresa Jacobs
and the Board of County Commissioners

FROM: *CPM* Carrie Mathes, Manager, Procurement Division

CONTACT: Bryan Lucas, Manager, Fleet Management Division
407-836-8201

SUBJECT: Award of Invitation for Bids Y18-1124-MV, Motor Fuels – Tank Wagon Deliveries

ACTION REQUESTED:

Approval to award Invitation for Bids Y18-1124-MV, Motor Fuels – Tank Wagon Deliveries, to the low responsive and responsible bidder, Palmdale Oil Company, Inc., in the estimated contract award amount of \$1,900,000 for a 1-year term. Further request authorization for the Procurement Division to renew the contract for four additional 1-year terms.

Due to projected usage, the Fleet Management Division anticipates that the entire estimated contract amount will be ordered during the initial contract term.

PROCUREMENT:

Motor fuels are used throughout the county to power automobiles, trucks, fire rescue vehicles, heavy equipment, generators, and other internal combustion engine driven equipment. Tank wagon deliveries are motor fuel deliveries of 7,000 gallons and under. This award recommendation is based on estimated fuel quantities for the following entities:

	<u>Gasoline</u>	<u>Diesel</u>
Orange County	95,204 gallons	516,195 gallons
City of Altamonte Springs	20,000 gallons	132,754 gallons
City of Winter Park	160,000 gallons	100,000 gallons

The City of Altamonte Springs, City of Winter Park, and Orange County combined their requirements in this solicitation. Each entity will issue and administer its own orders for fuel.

FUNDING:

Funds are available in account numbers 5530 043 2035 4180, 5530 043 2035 4185 and 5530 043 2035 4187.

APPROVALS:

The Fleet Management Division and Business Development Division concur with this recommendation.

REMARKS:

Five bids were received in response to Invitation for Bids Y18-1124-MV and were evaluated for responsiveness, responsibility, and cost using a discount or markup on the Oil Price Information Service (OPIS) average price for the Taft terminal. Jacobus Fleet Services, LLC. was deemed non-responsive for adding terms to their bid response.

OPIS is a private petroleum reporting and database company, providing daily site-specific retail pricing data to oil companies, distributors, traders, government, and commercial purchasers of petroleum products. Under this contract, OPIS pricing is obtained once per week to apply to the succeeding week's purchases.

Palmdale Oil Company, Inc. submitted a bid offering the lowest markup for 87, 89 and 92 octane gasoline and un-dyed and dyed diesel fuel for tank wagon loads. When used by local government, dyed diesel fuel is not subject to the taxes associated with regular diesel fuel.

All fuel pricing is based on a markup on prices from the OPIS average at the closest distribution point to Orange County, the Taft terminal. This approach is necessary because long-term fixed contract pricing is not suitable for this highly volatile commodity. The fixed markup will remain firm for the entire period of the contract. For all fuels, the markup is added to the OPIS price. Taxes are then added to that price for a final purchase price per gallon.

The bid amounts are the estimated markup for each bidder based on OPIS pricing. The estimated annual contract amount includes the estimated markup of \$74,351.24.

The bid tabulation is as follows:

Palmdale Oil Company, Inc.	\$ 74,351.24
Greens Energy Services, Inc.	\$ 78,809.72
TV Guy Services, LLC.	\$ 79,115.42
RKA Petroleum Companies, Inc.	\$469,874.68
Jacobus Fleet Services, LLC.	Non-Responsive




Interoffice Memorandum

BUSINESS DEVELOPMENT DIVISION

August 28, 2018

TO: Melisa Vergara, Senior Purchasing Agent
Procurement Division

FROM: Kesi Warren, Senior Contract Administrator 
Business Development Division

SUBJECT: Business Development Division Bid Evaluation

PROJECT: IFB #Y18-1124-MV, Motor Fuel – Tankwagon Deliveries

The Business Development Division evaluated the **4 bids** submitted for this project and found that **none of the bidders are** Orange County Certified Minority Women Business Enterprises. Hence, the bid preference program in accordance with the County's M/WBE Ordinance, Section 17-324 can not be applied.

c: Sheena Ferguson, Manager, Business Development Division

