



Legislation Text

File #: 20-460, **Version:** 1

Report Prepared by: Wally Broughton, Public Works Manager - Operations

SUBJECT: Approval of a Card-Lock Fuel Station Service Agreement with Tesei Petroleum, Inc., and a Fuel Delivery Services Agreement with Pazin and Meyers, Inc., for the Term of December 1, 2020 Through June 30, 2022 with the Option to Extend for Three Additional One-Year Periods

REPORT IN BRIEF

Considers approving two separate multi-year service agreements with Tesei Petroleum, Inc., and Pazin and Myers, Inc., to provide fueling services for City vehicles for the period of December 1, 2020 through June 30, 2022 with the option to extend for three additional one-year periods.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a service agreement with Tesei Petroleum, Inc., to provide card-lock fueling services for City vehicles, and;
- B. Approving a service agreement with Pazin and Myers, Inc., to provide fuel delivery services to all City dispensing stations or various generator sites, and;
- C. Authorizing the Interim City Manager to execute the necessary documents and sign future amendments for term extension(s).

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific items; or,
- 5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Section 200 et seq. of the Merced City Charter.

CITY COUNCIL PRIORITIES

As provided for in the FY 2020/2021 adopted budget.

DISCUSSION

The City of Merced, has maintained a primary fuel station located at the Public Works Corporation Yard since 1990. There are several smaller fueling locations throughout the City which include the Wastewater Treatment Facility, four Fire Stations, and multiple Water Well sites equipped with fuel tanks for well pump emergency generators. With no unleaded fuel tanks at the Corporation Yard, all of the unleaded fuel for all City vehicles must be purchased off-site.

The Public Works Fleet Services Division issued a Request for Proposal (RFP) soliciting proposals to provide fuel delivery and/or local Card-Lock fueling services. The four proposals listed below were submitted by the August 13, 2020 deadline.

- Pazin and Myers Inc. (Merced, CA)
- Pinnacle Petroleum (Huntington, Beach CA)
- SC Fuels (Orange, CA)
- Tesei Petroleum Inc. (Madera, CA)

The RFP asked for separate pricing for both fuel deliveries and for fuel purchased from a local Card-Lock station. In order to obtain fair price comparisons, bidders were asked to submit a single firm differential price for the rack average Stockton, CA price for fuel commodities as posted in the Oil Price Information Services (OPIS) or equivalent, as well as include all other taxes and fees.

Bid results were based upon the estimated gallons per year from all applicable fueling locations and/or for gallons purchased during the previous calendar year from the local card-lock facility. Based upon the four bids submitted, Tesei Petroleum was the low bidder for local Card-Lock services and Pazin and Myers was the low bidder for fuel deliveries. Staff recommends approval of multi-year service agreements with Tesei Petroleum for Card-Lock services and with Pazin and Myers for fuel deliveries.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed; funding is available within the FY2020-21 adopted budget.

ATTACHMENTS

1. Bid Results
2. Tesei Petroleum Agreement
3. Pazin and Myers Agreement