

**CITY OF SAN ANTONIO
PURCHASING & GENERAL SERVICES DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

**CONSENT AGENDA
ITEM NO. 10**

TO: Mayor and City Council

FROM: Janie B. Cantu, Director of Purchasing & General Services

SUBJECT: Gasoline Transport Loads

DATE: November 18, 2004

SUMMARY & RECOMMENDATION

This ordinance authorizes the Purchasing & General Services Department to accept the low bid submitted by Mansfield Oil Company to provide the City of San Antonio with gasoline transport loads. Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The attached tabulation of three bids to provide the City of San Antonio with gasoline transport loads on an annual contract basis is hereby submitted for council consideration and action. This bid was advertised in the Daily Commercial Recorder, La Prensa, the City of San Antonio Purchasing Website, Public Access Channel 21 and Demandstar.com. The low bid was submitted by Mansfield Oil Company for a total of \$4,055,650.

The per gallon contract price is based on an index of average oil refinery prices for the San Antonio area plus the vendor's fixed markup and state fuel taxes. The contract price fluctuates weekly as the index is recalculated by the Oil Price Information Services (OPIS).

Shipments under this contract will be in larger transport sizes and will be delivered to City-owned underground storage tanks with capacities of 10,000 gallons or more. These 11 facilities are located at vehicle maintenance facilities and police stations throughout the City. This fuel is used primarily in police cars, light duty trucks, departmental administrative sedans and light field equipment.

During the Air Quality Health Alert season of May through September, the fuel provided will be a low Reid Vapor Pressure (RVP) formulation in accordance with the State Regional Low RVP Program, which includes Bexar and other counties in central and eastern Texas. This fuel helps slow the rate of the ozone producing vapors that evaporate into the atmosphere during vehicle refueling.

This contract requires that the vendor transport fuel on the City recommended hazmat routes.

Fuel prices have experienced wide fluctuations during the past couple of years. During the past year, the average cost of fuel to the City has been \$1.41/gallon. During that same time, prices have peaked at \$1.63/gallon and reached a low of \$1.15/gallon.

In response to the uncertainty of fuel prices and the potential of future escalations in prices, departmental budgets were increased by approximately 3% and 6% for FY 04 and FY 05 respectively.

POLICY ANALYSIS

This contract will provide regular unleaded fuel on an annual contract basis. The contract begins January 1, 2005 and terminates December 31, 2005 with two one-year options to extend upon mutual consent of the City of San Antonio and the contractor.

FISCAL IMPACT

The estimated cost of this contract is \$4,055,650.00 annually. Funds are not encumbered by this ordinance. All expenditures will be in accordance with the FY2004-2005 Budget approved by City Council.

SUPPLEMENTAL INFORMATION

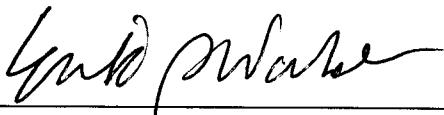
This contract will provide regular unleaded fuel for use in the City's vehicle fleet and other governmental agencies. The City sells approximately 650,000 gallons of fuel at its fueling facilities to outside agencies that include Bexar County, the San Antonio Housing Authority (SAHA), and Department of Public Safety (DPS).

Additionally, 7 agencies including local school districts, City Public Service (CPS) and San Antonio Water System (SAWS) participate as riders on this contract and purchase approximately 4.5 million gallons per year.

This contract was developed utilizing the formal competitive bid process; therefore, an Ethics Disclosure Form is not required.



tv Janie B. Cantu, C.P.M., Director
Purchasing & General Services



Erik J. Walsh, Assistant to the City Manager
City Manager's Office



J. Rolando Bono
Interim City Manager

Opened: October 25, 2004
 For: Annual Contract for Gasoline Transport Loads

A310-05 PR

Item	Description	Estimated Gallons	Mansfield Oil Company 1025 Airport Parkway, S.W. Gainesville GA 30501	Petroleum Traders Corporation 7110 Pointe Inverness Way Fort Wayne IN 46804	Valero Marketing & Supply One Valero Way San Antonio TX 78249
1	Regular Unleaded Gasoline Discount/Upcharge per Gallon OPIS Average for 10-25-2004 Effective Price for 10-25-2004	2,900,000			
			+\$0.0007	+\$0.0078	+\$0.0025
			\$1.3978	\$1.3978	\$1.3978
			\$1.3985	\$1.4056	\$1.4003
	Brand Names		Valero, Citgo, Fina World Fuel	Valero	Valero Diamond Shamrock
	Terms		Net 30	Net 30	Net 30
Estimated Annual Award			\$4,055,650.00		