



**TO:** Board of Contracts and Awards  
**FROM:** Kurtis D. Kingsolver, P.E., Director/City Engineer, Public Works Department /KDJ/  
Justin E. Davis, Division Manager, Facilities Management  
Deanna Pollard, Fleet Parts and Contracts Manager, Fleet Services  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and  
Richelle Krienke, Finance/Purchasing  
**SUBJECT:** Cardlock Fueling, Carwash Services, and On-Site Mobile Fueling  
Request for Proposals Specification No. UF11-0577F – November 3, 2015  
**DATE:** October 14, 2015

**SUMMARY:**

The Public Works Department requests approval to increase, and extend Contract No. FPO 4500307936 originally established in February 2012, to Petrocard, Inc., Kent, WA, by \$3,605,405, plus applicable sales tax, for fleet fueling services to be used by various General Government departments. This increase will bring the contract to a cumulative amount of \$22,426,295, plus applicable sales tax, and extend the contract through January 31, 2017.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The high volume and dedicated fleet fueling reduces the City’s fleet operating cost and enhances the fleet availability for various City services. Actual fuel prices are lower than market price due to various federal tax exemptions that amount up to 18 cents per gallon. While this contract locks in the agreed profit margin, the City pays the actual fuel price which fluctuates day to day. The base fuel prices change according to the rack pricing established by the industry recognized Oil Price Information Service (OPIS).

**BACKGROUND:**

This increase will provide for the continued fleet fueling services for vehicles and equipment in various General Government departments including Police, Fire, Public Works and Environmental Services, in their daily activities from January 31, 2016 through January 31, 2017. This increase is the result of the language stated in the original contract.

**ISSUE:** Over 1,000 City vehicles and equipment need to be fueled after each day of collecting garbage, clearing storm drains, resurfacing streets, plowing snow, patrolling our neighborhoods and responding to emergencies. This contract provides various vehicle fuels at the exclusive Cardlock stations and direct fuel delivery to garbage trucks supplying over one-million gallons of fuel each year. This service is vital in maintaining City services provided by General Government departments.

**ALTERNATIVES:** The alternative course of action would be to establish a new contract or purchase fuels from retail stations. The lead time to establish a new contract will result in a loss of continuity affecting garbage pickup schedules, clearing storm drains, maintaining City streets, timely public safety and other vital City services. In addition to the higher retail fuel prices, many retail stations would be limited in supplying the high volume of fuel the City requires each day.



**COMPETITIVE SOLICITATION:** This contract was originally awarded to Petrocard, Inc., as a result of RFP Specification No. UF11-0577F in February 2012. The contractor has agreed to increase the contract at the same prices, terms and conditions as the original contract.

**CONTRACT HISTORY:** The original contract was approved by City Council Resolution No. 38399 on January 10, 2012, in the amount of \$4,603,500. Due to the fluctuation of fuel prices, this contract was structured as a one-year contract with four 1-year renewal options. Since then this contact was extended each year from 2013 to 2015 with Council approval resulting in the current total contract amount of \$18,820,890. This amendment is the fourth and final extension to the contract bringing the contract to a cumulative amount of \$22,426,295, plus applicable sales tax, for the cumulative period of February 20, 2012 through January 31, 2017.

**SUSTAINABILITY:** Petrocard, Inc. owns 64 locations throughout Washington and Oregon. Each location works with a shredding company to shred and recycle paper products, emails invoices, printed material is 100 percent recycled paper. Also, Petrocard, Inc.’s information is scanned and saved on a secure server instead of printed and stored in a file. They have replaced overhead light fixtures with LED lights reducing their energy footprint.

**SBE/LEAP COMPLIANCE:** Not applicable.

**RECOMMENDATION:**

The Public Works Department requests approval to increase and extend Contract No. FPO 4500307936 originally established in February 2012, to Petrocard, Inc., Kent, WA, by \$3,605,405, plus applicable sales tax, for fleet fueling services to be used by various General Government departments. This increase will bring the contract to a cumulative amount of \$22,426,295, plus applicable sales tax, and extend the contract through January 31, 2017.

**FISCAL IMPACT:**

The fiscal impact for a one-year contract extension is \$3,605,405, plus applicable sales tax. The fiscal impact for the full five-year contract term is \$22,426,295, plus applicable sales tax. The expenditures and revenues are budgeted in various General Government funds.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Departments	Various	5390005	\$3,605,405
<b>TOTAL</b>			<b>\$3,605,405</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Departments	Various	Various	\$3,605,405
<b>TOTAL</b>			<b>\$3,605,405</b>



**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$3,304,955**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

Expenses are budgeted and covered.

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FINANCE PURCHASING