



**TO:** Board of Contracts and Awards  
**FROM:** Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer *KDK*  
 Justin E. Davis, Facilities Division Manager, Public Works  
 Deanna Pollard, Management Analyst, Fleet Services  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and Marie Holm, Finance/Purchasing  
**SUBJECT:** Mobile and/or Cardlock Fueling Services  
 Request for Proposals Specification No. GF16-0258F – February 7, 2017  
**DATE:** January 13, 2017

**SUMMARY:**

The Public Works Department recommends a contract be awarded to PetroCard, Inc., Kent, WA, in the amount of \$22,426,295, plus applicable sales tax, for fleet fueling services to be used by various general government departments, for an initial five-year term, with the option to renew for two additional one-year terms, for a projected contract total of \$31,400,000, plus applicable sales tax.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and support a safe city with healthy residents.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

Providing fuel for vehicles and equipment within general government departments such as Police, Public Works and Environmental Services is vital in maintaining a safe city with healthy residents by allowing those departments to respond to emergencies, repair streets, and collect solid waste. While this contract locks in the agreed fixed profit margin, the City pays actual fuel prices which fluctuate day-to-day according to the rack pricing established by the industry recognized Oil Price Information Service (OPIS).

**BACKGROUND:**

**ISSUE:** Over 1,000 City vehicles and equipment require fueling to provide services such as collecting garbage, clearing storm drains, resurfacing streets, plowing snow, patrolling neighborhoods and responding to emergencies. This contract provides various vehicle fuels at the exclusive cardlock stations and direct fuel delivery to solid waste 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 purchase fuels from retail stations. In addition to higher retail fuel prices, many retail stations would be unable to supply the high volume of fuel the City requires.

**COMPETITIVE SOLICITATION:** Request for Proposals Specification No. GF16-0258F was opened November 29, 2016. Three companies were invited to bid in addition to normal advertising of the project. Two submittals were received.

<u>Respondent</u>	<u>Location (city and state)</u>	<u>Score</u>
<b>PetroCard, Inc.</b>	<b>Kent, WA</b>	<b>90</b>
Associated Petroleum Products, Inc.	Tacoma, WA	74



Pre-bid Estimate: \$31,669,004.00

The recommended award is 0.85 percent below the pre-bid estimate.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: PetroCard, Inc. continues to provide biofuels and works with customers to pilot different blends which most recently includes a pilot for renewable diesel. PetroCard owns 64 locations throughout Washington and Oregon. Each location works diligently to reduce the amount of paper generated by using electronic documents stored on a secure server. In situations where documents need to be printed, they are printed on recycled paper. Their fueling facilities have replaced overhead light fixtures with LED lights reducing their energy footprint.

SBE/LEAP COMPLIANCE: Not applicable.

**RECOMMENDATION:**

The Public Works Department recommends a contract be awarded to PetroCard, Inc., Kent, WA, in the amount of \$22,426,295, plus applicable sales tax, for fleet fueling services to be used by various general government departments for an initial five-year term, with the option to renew for two additional one-year terms, for a projected contract total of \$31,400,000, plus applicable sales tax.

**FISCAL IMPACT:**

The fiscal impact for one year is estimated at \$4,485,259, plus applicable sales tax. The fiscal impact for the full seven-year contract term is \$31,400,000, 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	\$31,400,000
<b>TOTAL</b>			<b>\$31,400,000</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Departments	Various	Various	\$31,400,000
<b>TOTAL</b>			<b>\$31,400,00</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$8,970,518**

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

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

FINANCE PURCHASING  
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