



**TO:** Board of Contracts and Awards  
**FROM:** Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer /KDK  
Justin E. Davis, Facilities Division Manager  
**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 – December 2, 2014  
**DATE:** November 4, 2014

**SUMMARY:**

The Public Works Department requests approval to increase and extend purchase order 4500307936, originally established in February 2012, to Petrocard, Inc., Kent, WA, by \$4,714,488, plus applicable sales tax, for mobile, marine and cardlock fueling and carwash services to be used by various departments. This increase will bring the purchase order to a cumulative amount of \$18,820,890, plus applicable sales tax, and extend the contract through January 31, 2016.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and maintain a strong fiscal management position.

The requested contract increase is based on \$4 per gallon for gasoline and \$5 per gallon for diesel, though the City is not locked into paying these prices. Actual fuel prices are lower than market price due to various federal tax exemptions that amount to about 18 cents per gallon. The City will pay the actual base fuel price which changes each day. The base fuel price fluctuates according to the industry recognized oil price information service report.

**BACKGROUND:**

This increase will provide for the continued purchase of on-site mobile fueling, use of cardlock fueling sites, and carwash services for city vehicles in various departments, including Police, Fire, Public Works and Environmental Services, in their daily activities January 31, 2015 through January 31, 2016. This increase is the result of the language stated in the initial contract.

**ALTERNATIVES:** If not implemented City vehicles will pay market price at retail locations.

**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:** This contract is the result of a joint bidding effort by General Government and Tacoma Public Utilities. The initial one-year term for General Government, in the amount of \$4,603,500, was approved by City Council Resolution No. 38399 on January 10, 2012. The resulting contract was established in February of 2012. In January 2013, the contract was increased by \$4,783,500 and extended through January 31, 2014. In January 2014 the contract was increased by \$4,719,402 and extended through January 31, 2015. This amendment will bring the contract to a cumulative amount of \$18,820,890, plus applicable sales tax, for the cumulative period February 20, 2012 through January 31, 2016. This is the third extension to the contract; one one-year extension remains.

**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% 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 fixture lights with LED lights at 16 cardlock stations with seven more to be upgraded by December 31, 2014. The LED fixtures are much brighter and help to reduce Petrocard, Inc.’s energy footprint.

SBE/LEAP COMPLIANCE: Not applicable.

**RECOMMENDATION:**

The Public Works Department requests approval to increase and extend purchase order 4500307936, originally established in February 2012, to Petrocard, Inc., Kent, WA, by \$4,714,488, plus applicable sales tax, for mobile, marine and cardlock fueling and carwash services to be used by various departments. This increase will bring the purchase order to a cumulative amount of \$18,820,890, plus applicable sales tax, and extend the contract through January 31, 2016.

**FISCAL IMPACT:**

The fiscal impact for a one-year contract term is \$4,714,488, plus applicable sales tax. The expenditures and revenues are in various General Government funds, i.e., Environmental Services (Solid Waste, Wastewater, TAGRO), Tacoma Police, Tacoma Fire, Fleet Services, Street Operations, etc.

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			\$4,714,488.00
<b>TOTAL</b>			<b>\$4,714,488.00</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			\$4,714,488.00
<b>TOTAL</b>			<b>\$4,714,488.00</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** \$392,874.00 (one month)

**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.

FINANCE PURCHASING  
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