

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

879



FROM: Purchasing and Fleet Services

SUBMITTAL DATE:
August 30, 2011

SUBJECT: PURCHASE OF UNLEADED FUEL AND ULTRA LOW SULFUR DIESEL FUEL FROM
OTHER THAN THE LOW BID, FOR THE COUNTY OF RIVERSIDE

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve purchase of unleaded fuel and ultra low sulfur diesel from other than the low bidder, in accordance with Ordinance No. 459.4, at an additional cost of \$86,600, and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459.4 to issue an agreement for five (5) years, renewed annually in one (1) year increments, based on the availability of fiscal funding and the adjusted aggregate amount based on OPIS Price Listing and actual usage.

BACKGROUND: In October 1995, the Board of Supervisors approved a Local Vendor Preference Policy to encourage business growth and provide jobs in Riverside County. On May 16, 2011,

(Continued on Page 2)


ROBERT J. HOWDYSHELL, Director
Purchasing and Fleet Services Dept.

FINANCIAL DATA	Current F.Y. Total Cost:	\$13,500,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$8,910,000	Budget Adjustment:	No
	Annual Net County Cost:	\$10,620,000	For Fiscal Year:	FY 11/12
SOURCE OF FUNDS: ISF Fuel Rates				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: 
Serena Chow

County Executive Office Signature

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Off.: ☐ Consent ☒ Policy

Prev. Agn. Ref.:

District:

Agenda Number:

3.73

BOARD OF SUPERVISORS

**FORM 11: PURCHASE OF UNLEADED FUEL AND ULTRA LOW SULFUR DIESEL FUEL
OTHER THAN THE LOW BID, FOR THE COUNTY OF RIVERSIDE**

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BACKGROUND (Continued)

the Purchasing Department, acting as the lead agency, released a Cooperative Request for Proposal (RFP PUARC-1175) for bulk fuel for all Riverside County departments and several outside agencies including the City of Palm Springs, Hemet Unified School District, Ontario School District, Riverside Unified School District, Riverside Transit Authority, and Corona Unified School District. Solicitations were mailed to 19 companies and advertised on the County Purchasing Internet site. A statement informing bidders of the local preference policy was included in the bid instructions.

The RFP requested delivered pricing based on County usage per storage location and the OPIS rack price as of a specific date and time. OPIS is an organization that monitors the price of fuel at over 390 fuel storage/delivery locations across the country. The OPIS rack price is the wholesale price for fuel from the refineries our vendors pay when picking up fuel and can change at least 2 times per day. The closest site is in Colton. Vendors were instructed to provide a fixed markup per gallon to the Colton OPIS rack price to cover all costs and profit associated with delivery to our fuel sites. While the rack price may vary with each delivery, the markup the vendors charge will remain a fixed rate through the contract period.

Four (4) bid responses were received ranging from \$15,780,775 to \$16,548,117 for the estimated County requirement based on the Colton OPIS rack price. The overall low responsive and responsible bidder was IPC (Irvine, CA) in the amount of \$15,780,775; however, this bidder did not quote for all County delivery sites. The County would have to contract for the missing areas with the lowest vendor for those sites, making the lowest overall total cost \$16,003,730. Currently, the County splits the award based on the lowest cost per delivery site between two local vendors. Utilizing local preference, we again are requesting to split the award to the low responsive and responsible Riverside County firms, Downs Energy and SoCo Group, in an aggregate amount of \$16,090,330, resulting in a local preference cost difference of \$86,600, or about one half of one percent of the total cost. This differential is well within the Local Vendor Preference policy of 5.0%.