



Legislation Text

File #: 19-0172, **Version:** 1

Chief Administrative Office, Procurement and Contracts Division, recommending the Board:

- 1) Waive the competitive bidding requirements for the provision of commercial cardlock fueling services, as authorized by ordinance section 3.12.160 (F), finding that the extension is necessary in order to avoid an interruption of County business;
- 2) Retroactively approve and authorize the Purchasing Agent to sign Agreement 3683 with Hunt and Sons, Inc., in an amount not to exceed \$1,000,000 for the period of January 24, 2019 through January 23, 2020 to provide commercial cardlock fueling services for all County-owned vehicles; and
- 3) Authorize the Purchasing Agent to execute Amendments which do not affect the term or total not-to-exceed amount of the agreement. (Est. Time: 5 Min.)

FUNDING: Various - General and Non General Fund.

DISCUSSION / BACKGROUND

In November 2018 the Chief Administrative Office, Procurement and Contracts Division (Division) merged with the Community Development Services, Procurement & Contracts Unit. Currently this division is struggling with five of the twelve allocations for Purchasing and Contracts vacant due to retirements and attrition. Existing staff have been challenged with a steep learning curve and a large workload. Unfortunately, the renewal for the countywide contract with Hunt and Sons for commercial cardlock fueling services was missed. The current Agreement expired on January 23, 2019.

Fuel cardlock services are necessary for the continued operations of County business. These cardlock stations are used by most, if not all, County departments, particularly the Sheriff's office and Department of Transportation. If these cardlock fuel services were not available, re-fueling of County vehicles would be difficult and more labor intensive and more expensive. Setting up a new systems for fueling vehicles would result in an interruption of County business.

Procurement and Contracts is requesting that the Board approve a retroactive agreement with Hunt and Sons for a one (1) year term with the same pricing as the prior agreement. This will allow the Division time to perform a new Request for Proposal for cardlock fueling services while allowing cardlock services to continue with Hunt and Sons.

This program has been very successful and convenient for the majority of employees who are required to travel in the course of their work, specifically law enforcement. The County Purchasing Ordinance authorizes an exemption from competitive bidding when 1) the successful bidder from the last solicitation agrees to extend the contract at the same price and terms as the original bid, and 2) when the extension makes good business sense or is necessary in order to avoid an interruption of County business. Hunt & Sons, Inc. has agreed to enter into a new one (1) year agreement under the same terms and conditions as the previous agreement including the formula for determining cost per gallon, prompt payment discounts, invoicing requirements, etc., all of which are detailed in the attached agreement.

The Board is being asked to make findings that it is more economical and feasible to contract out for

fueling services for the following reasons:

- 1) Avoids capital investment necessary to build and maintain its own fueling sites in compliance with current and future environmental requirements.
- 2) Large number of fueling locations (local & state-wide) makes re-fueling more efficient than if all vehicles had to refuel at one or two central County facilities.

The current fueling site located in the Department of Transportation's fleet yard only dispenses diesel fuel for heavy equipment and trucks.

ALTERNATIVES

The Board could choose not to approve this contract and the County would have to determine a new way to provide fuel for County vehicles.

PRIOR BOARD ACTION

On January 25, 2005, item #57, the Board awarded Request for Proposal #05-405-016 for the provision of an off-site cardlock fueling system to the sole respondent Hunt & Sons, Inc. who was then the only vendor that managed the majority of local and greater Sacramento area commercial cardlock fueling sites. On January 24, 2017, Legistar item 17-0040, the Board awarded the most recent contract with Hunt and Sons for \$2,000,000 for the term January 24, 2017 through January 23, 2019.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approve this item.

FINANCIAL IMPACT

There is no additional General Fund impact. Departments have included appropriations for these services in the FY 2018-19 budget.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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