



City Council Report

Date: May 18, 2015
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Three-Year Term Contract for Jet A Aviation Fuel for the Police Department
(Citywide)

Purpose and Recommendation

Council is requested to approve the Term Contract for Jet A Aviation Fuel as recommended.

The Police Department and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder, MercFuel, Inc. dba Mercury Fuels, Inc. at \$275,000.00 annually, based on estimated requirements.

Background / Discussion

This contract will provide Jet "A" Aviation Fuel for the Police Aviation Unit's three helicopters based at Falcon Field Airport. The bid requires the fuel product to be refinery blended, meet ASTM D1655 Specifications, as amended, for Jet "A" Aviation Fuel without Prist, anti-ice additive.

Bulk fuel orders between 8,000 and 12,000 gallons will be placed approximately every six weeks. The City's estimated annual usage is 72,000 gallons.

Mercury Fuels, Inc. is the City's current contracted vendor for this fuel and the City has been satisfied with their performance for the past five years.

Alternatives

Council may choose not to authorize the purchase and new responses will be solicited.

Fiscal Impact

The annual contract amount is funded by the Police Department operating budget.

Coordinated With

Police Department and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Request for Bids

Solicitation Number: 2015214

Vendors Registered: ProcureAZ (45) and Vendor Self Service (11)

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Responses: 3

Local Consideration: Not applicable as there were no Mesa responses

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Two, one-year renewals subject to future Council consideration

Prices: Future price increases are capped by the Consumer Price Index

Pricing Available to Other Cooperative Agencies: Yes

April 9, 2015 Responses:

MercFuel, Inc. dba Mercury Fuels, Inc. Torrance, CA	Mark-up Price: \$0.1215/gal. *Base Price: \$1.668/gal. Total Delivered Price: \$1.7895/gal. (Recommended)
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Ascent Aviation Group, Inc. Parish, NY	Mark-up Price: \$0.1265/gal. *Base Price: \$1.66798/gal. Total Delivered Price: \$1.79448/gal.
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EPIC Aviation, LLC Salem, OR	Mark-up Price: \$0.1319/gal. *Base Price: \$1.67508/gal. Total Delivered Price: \$1.8070/gal.
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* Published Platt's LA Jet Previous Week's 5-day Average as of April 2015

AWARD RECOMMENDATION

***MercFuel, Inc. dba Mercury Fuels, Inc.
Torrance, CA***

Description
Jet "A" Aviation Fuel per Terms and Conditions, Specifications and Pricing as offered: Total Delivered Jet "A" Aviation Fuel Price (Sum of Mark Up Price plus Base Price, not including any taxes) - \$1.7895/gal. Annual Contract Amount: <u>\$275,000.00</u>