



City Council Report

Date: June 19, 2023
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Dollar Limit Increase to the 7-Month Term Contract with a One-Year Renewal Option Using a Cooperative Contract for the Purchase of Gasoline and Diesel Fuel for the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Fleet Services Department and Purchasing recommend increasing the dollar limit using the State of Arizona contract with Saratoga Rack Marketing, LLC by \$3,500,000.00 from \$1,025,000.00 to \$4,525,000.00 for the remaining contract term.

Background / Discussion

On May 15, 2023, Council approved this contract to ratify an emergency purchase and to include an additional vendor to provide unleaded gasoline and diesel fuel deliveries as a backup source when Senergy Petroleum and Western States Petroleum dba WSP, the City's contracted vendors, were not able to secure unleaded fuel due to disruptions in the supply chain. Over the past ten (10) months, there have been multiple interruptions in the fuel supply chain, leading to the need for the City to obtain multiple vendors on contract to provide liquid fuel to the City.

Fleet Services requested an increase of \$25,000.00 and management administratively approved the increase on 05/24/2023 but the department is requesting an increase of \$150,000.00 to pay the remaining outstanding invoices for recent unleaded fuel deliveries. Additionally, an increase of \$3,350,000.00 is requested in the event of a supply chain disruption to allow the City to secure all needed fuel deliveries.

Purchase Information

Action: Amendment
Procurement Type: Cooperative Contract Use
Contract Number: 2023241
Contracting Agency/Contract Number: State of Arizona – ADOT/CTR063573
Initial Contract Term: 4/6/2023 to 11/16/2023
Possible Renewals: One-year renewal option subject to Administrative review and approval

Funding Source: Fleet Services Department operating budget through the Fleet Internal Services Fund

Dollar Limit History

Original Council Award – 5/15/2023:	\$1,000,000.00
Administrative approved Increase – 5/24/2023	\$25,000.00
This Increase Request – 6/19/2023:	<u>\$3,500,000.00</u>
New Contract Value:	<u>\$4,525,000.00</u>