



City Council Report

Date: August 23, 2021
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Three-Year Term Contract with Two Years of Renewal Options for Gasoline and Diesel Fuel for the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Fleet Services Department and Purchasing recommend awarding the contract to the overall lowest, responsive and responsible bidder Western States Petroleum, Inc. dba WSP at \$6,800,000 annually based on estimated usage, with an annual increase allowance of up to 5% or the adjusted OPIS Price Index.

Background / Discussion

The City bid this contract cooperatively as the lead agency. This contract will provide gasoline and diesel fuel for the City, Mesa Unified School District, Town of Gilbert, Fowler Elementary School District, Tempe Union High School District, and the City of Glendale.

This solicitation was completed using a reverse auction which allows bidders to compete head-to-head in a dynamic live auction. Seven vendors were qualified to submit bids, and all these vendors bid. During the reverse auction that lasted 148-minutes, there were 409 bids placed and the lead changed 29 times.

The City's annual estimate usage, OPIS price less discount effective on 6/7/2021, used during the Reverse Auction to determine the City's overall savings. Based on the previous pricing discounts tied to OPIS, the City realized an additional 146% in discounts overall resulting in the City seeing a savings of approximately \$164,000 annually.

Purchase Information

Action: Award
Procurement Type: Request for Proposals
Contract Number: 2021165
Local Consideration: Policy did not apply to this procurement method
Protests Received: None
Initial Contract Term: Three Years

Possible Renewals: Up to a maximum of two years subject to Administrative review and approval

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

Vendors submitted a bid for reverse auction qualification effective June 9, 2021

Gladioux Trading & Marketing Company, LP - Fort Wayne, IN

Mansfield Oil Company of Gainesville Inc. - Gainesville, GA

Pilot Thomas Logistics - Phoenix, AZ

Pioneer Distributing Company, Inc. - Phoenix, AZ

Pro Petroleum LLC - Lubbock, TX

Supreme Oil Co. – San Diego, CA

Western States Petroleum, Inc. dba, WSP - Phoenix, AZ

Deemed as Non-Responsive

Senegy Petroleum, LLC (Did not submit the response forms, Attachments B and E, as required by the solicitation.)