

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0084R

RESOLUTION AUTHORIZING CITY OFFICIALS TO CONTRACT WITH INTER-CITY OIL COMPANY, INC., FOR BOTH BULK AND SERVICE STATION FUELS AND DELIVERY SERVICE AS NEEDED DURING YEAR 2009 FOR AN AMOUNT NOT TO EXCEED \$1,200,000.

CITY PROPOSAL:

RESOLVED, that city officials are hereby authorized to renew the existing Contract #20352 with Inter-City Oil Company, Inc., the third year of a five year contract, for the purchase and delivery of both bulk and service station fuels as needed during year 2009 for an amount not to exceed \$1,200,000, payable from the Fleet Services Fund 660, Department 015, Object 5212.

Approved for presentation to council:

\_\_\_\_\_  
Department Director/  
Chief Administrative Officer  
Purchasing Agent \_\_\_\_  
Manager Maintenance Operations \_\_\_\_

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

STATEMENT OF PURPOSE: This resolution authorizes the renewal of city Contract #20352 with Inter-City Oil Company, Inc., for the purchase and delivery of both bulk and service station fuels as needed in 2009 for an amount not to exceed \$1,200,000, to be paid from the fleet services fund.

The price is based upon a fixed constant of \$.06 cents per gallon (approximately 80 percent of fuel usage) for service station fuels and \$.06 cents per gallon (approximately 20 percent of fuel usage) for delivered fuels. The bid constant is added to the Duluth daily rack average price plus applicable taxes. The estimated price is based on year 2008 usage.

This contract is based on a process that began in January of 2006, when the city published a request for proposals (RFPs). RFPs from five companies received by the January 17, 2007, closing date were evaluated by an internal committee. Inter-City Oil Company, Inc., in Duluth, Minnesota, had the best and most complete proposal according to an established point system.

This is the third year of a five year contract.

Requisitions #09-0090 (bulk) and #09-0091 (service station)