

PURCHASING & LICENSING COMMITTEE

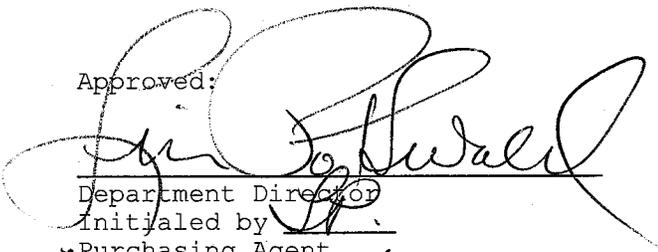
11-0038R

RESOLUTION THE RENEWAL OF CONTRACT NO. 20352 WITH INTER-CITY OIL COMPANY, INC., FOR BOTH BULK AND SERVICE STATION FUELS WITH DELIVERY SERVICE AS NEEDED DURING YEAR 2011 FOR AN AMOUNT NOT TO EXCEED \$1,080,000.

CITY PROPOSAL:

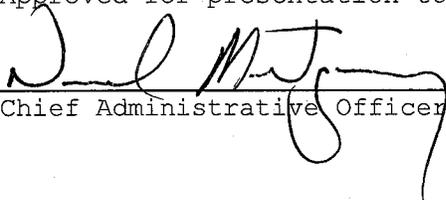
RESOLVED, that city officials are hereby authorized to renew the existing contract no. 20352 with Inter-City Oil Company, Inc., the final year of a five-year contract, for the purchase and delivery of both bulk and service station fuels as needed during year 2011 for an amount not to exceed \$1,080,000, payable from Fleet Services Fund 660, Dept./Agency 015, Object 5212.

Approved:



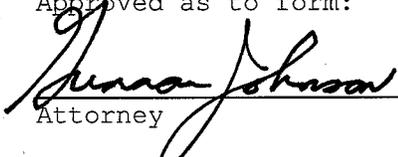
Department Director
Initialed by DP
Purchasing Agent
Initialed by DP
Manager, Maintenance Operations

Approved for presentation to council:



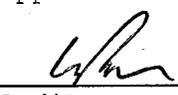
Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FLEET/PRCH DS:le 01/13/2011

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 2011 for an amount not to exceed \$1,080,000, to be paid from the fleet services fund. This is the final year of a five-year contract.

The price is based upon a fixed constant of \$.06 cents per gallon for service station fuels and \$.15 per gallon for delivered bulk fuels. Total fuel usage can be broken down as follows: Service station fuels - 80% and delivered bulk fuels 20%. The bid constant is added to the Duluth daily rack average price plus taxes. The estimated price is based on usage from prior years.

This contract is based on a process that began in January of 2007 when the city published a request for proposals (RFP)s. The city purchasing division received five proposals by the January 17, 2007, closing date. An internal committee evaluated all five proposals according to an established point system, and found that Inter-City Oil Company, Inc., had the best and most complete proposal.

Requisition Nos. 11-0073 (bulk) and 11-0074 (service station)