PURCHASING & LICENSING COMMITTEE

12-0079R

RESOLUTION AWARDING A CONTRACT TO HOLIDAY STATIONSTORES FOR THE PURCHASE AND DELIVERY OF SERVICE STATION FUELS DURING YEAR 2012 FOR AN AMOUNT NOT TO EXCEED $1,325,000.

CITY PROPOSAL:

RESOLVED, that city officials are hereby authorized to enter into a contract with Holiday Stationstores, for the purchase and delivery of service station fuels as needed during year 2012, a one-year contract from April 1, 2012, through March 31, 2013, with four possible one-year renewal options, for an amount not to exceed $1,325,000, payable from Fleet Services Fund 660, Dept./Agency 015 (Administrative Services), Object 5212 (Motor Fuels).

Approved:

Department Director

Purchasing Agent DVS

Approved for presentation to council:

Chief Administrative Officer

Approved as to form:

Attorney

Approved:

Auditor

FLEET/PRCH DS:le 02/03/2012

STATEMENT OF PURPOSE: This resolution awards a contract to Holiday Stationstores for service station fuels during year 2012 for an amount not to exceed $1,325,000, payable from the fleet services fund. The new contract period will run from April 1, 2012, through March 31, 2013, with four possible one-year renewal options.

The price is based upon a fixed constant of $.05 cents per gallon for service station fuels and $.20 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.

The purchasing division posted the original request for fuel bids - both station and bulk - January 5, 2012, on the city's website and received two bids from local companies by the closing date. City officials carefully reviewed bids and confirmed that Holidaystation Stores had the lowest complete bid for the service station fuels.

CITY OF DULUTH BID 12-01DS FUELS - STATION & BULK Bids Opened January 25, 2012		
	Holiday Stationstores	Inter-City Oil Company
Station Fuels	.05 above rack price	$.12 above rack price
Bulk Fuels	No Bid	$.20 above rack price

Requisition 12-0101