

PURCHASING & LICENSING COMMITTEE

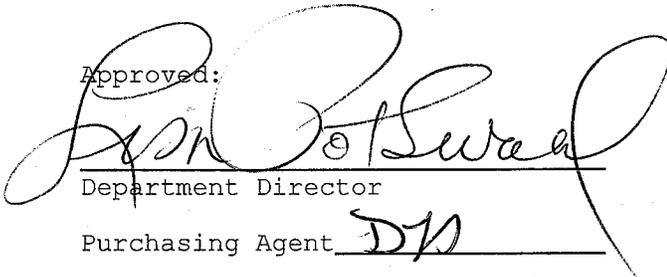
12-0080R

RESOLUTION AWARDING A CONTRACT TO INTER-CITY OIL COMPANY, INC., FOR THE PURCHASE AND DELIVERY OF BULK FUELS DURING 2012 FOR AN AMOUNT NOT TO EXCEED \$200,000.

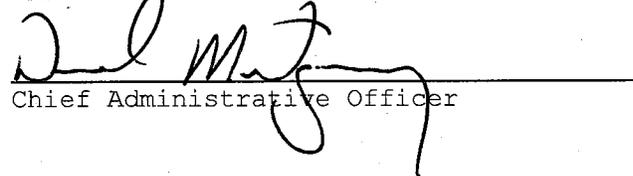
CITY PROPOSAL:

RESOLVED, that city officials are hereby authorized to enter into a contract with Inter-City Oil Company, Inc., for the purchase and delivery of bulk fuels as needed during year 2012, a one-year contract from March 1, 2012, through February 28, 2013, with four possible one-year renewal options, for an amount not to exceed \$200,000, payable from Fleet Services Fund 660, Dept./Agency 015 (Administrative Services), Object 5212 (Motor Fuels).

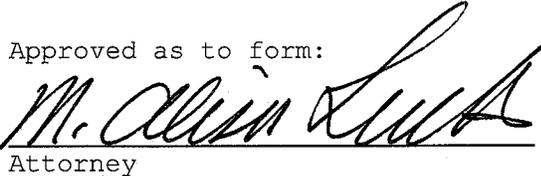
Approved:


Department Director
Purchasing Agent DS

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 Inter-City Oil Company, Inc., for bulk fuels during year 2012 for an amount not to exceed \$200,000, payable from the fleet services fund. The new contract period will run from March 1, 2012, through February 28, 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 Inter-City Oil Company, Inc., had the only bid for bulk fuel.

Requisition No. 12-0102

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