

PURCHASING & LICENSING COMMITTEE

13-0017R

RESOLUTION AUTHORIZING RENEWAL OF AN ANNUAL CONTRACT WITH INTER-CITY OIL COMPANY, INC., FOR THE PURCHASE AND DELIVERY OF BULK FUELS DURING YEAR 2013 FOR AN AMOUNT NOT TO EXCEED \$200,000.

CITY PROPOSAL:

WHEREAS, the Duluth city council approved an annual contract with Inter-City Oil Company, Inc., for the purchase and delivery of bulk fuels in year 2012 with passage of Resolution 12-0080R on February 13, 2012, and the city desires to exercise its option to renew said contract in year 2013;

NOW, THEREFORE, BE IT RESOLVED, that the proper city officials are hereby authorized to renew the annual contract with Inter-City Oil Company, Inc., the second year of a potential five-year contract, for the purchase and delivery of bulk fuels as needed during year 2013 for an amount not to exceed \$200,000, payable from Fleet Services Fund 660, Dept./Agency 015 (Administrative Services), Object 5212 (Motor Fuels).

Approved:



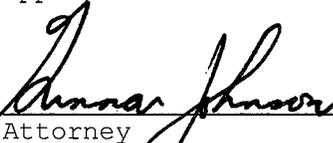
Department Director
Purchasing Agent 

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

STATEMENT OF PURPOSE: This resolution authorizes the renewal of the city's annual contract with Inter-City Oil Company, Inc., the second year of a potential five-year contract, for bulk fuels during year 2013 for an amount not to exceed \$200,000.

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 responses from local companies by the closing date. City staff carefully reviewed both bids and recommended that Inter-City Oil Company, Inc., the sole bidder for bulk fuel, be awarded a contract.

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 13-0050