



# CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor  
Jack D. Graham, Chief Administrative Officer  
Bryant Enge, Director, Bureau of Internal Business Services

Christine Moody  
Chief Procurement Officer

Procurement Services

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## CONSENT CALENDAR

May 18, 2012

### TO THE COUNCIL:

The CityFleet Division of the Internal Business Services furnishes all fuel used by City of Portland vehicles and is responsible for maintaining and updating the fuel contracts for the City of Portland. The City normally procures approximately 2.1 million gallons of fuel during a fiscal year. The fuel normally purchased for City vehicles and equipment includes regular grade unleaded gasoline with ethanol, ultra low sulfur diesel fuel, and biodiesel. With the passage of Ordinance 184981, the CityFleet Division of the Bureau of Internal Business Services received Council authorization to issue a Request for Proposals (RFP).

The Chief Procurement Officer advertised RFP No. 113986, issued on February 6, 2012, for the City's Annual Supply of Fuel and nine (9) proposals were received. The RFP provided notice to fuel suppliers in this market that the City prefers to use biodiesel that has been refined in Oregon, and that the City prefers to have renewable crops grown in Oregon used as the base stock for biodiesel production. At this time only a small portion of the biodiesel produced in Oregon contains Oregon grown crops, but the City has indicated a preference for biodiesel that supports agriculture grown in Oregon. The City anticipated procuring biodiesel blends, ultra-low sulfur diesel, and ethanol under these price agreements. The proposals were reviewed, evaluated, and scored by the evaluation committee in accordance with Portland City Code 5.33. Fitz Enterprises, Inc., dba Star Oilco, received the highest evaluation score and will be the Primary Contractor while Bretthauer Oil Company received the second highest evaluation score and will be the Secondary Contractor. A low rack price index was identified in the solicitation and will be utilized to ensure the City pays consistently low prices for fuel. The evaluation considered proposed mark-up or mark-down variations offered by each proposer for all fuel types as well as delivery costs to various City sites in determining the highest scoring proposals. The City issued a Notice of Intent to Negotiate and Award price agreements to Fitz Enterprises, Inc., dba Star Oilco, and Bretthauer Oil Company on April 19, 2012 and received no opposing comments.

This Chief Procurement Officer's Report to Council provides for the City to contract with two local suppliers that ranked the highest for delivery of these fuel types as determined by the RFP evaluation committee. Both of these suppliers have current City EEO registration, City Business Licenses, and will provide Certificates of Insurance as required by the solicitation and resulting price agreements.

Fitz Enterprises, Inc. has a current City of Portland business license, is in compliance with the Equal Benefits Program, and their EEO Certification is current through May 4, 2013. Bretthauer Oil Company has a current City of Portland business license, is in compliance with the Equal Benefits Program, and their EEO Certification is current through November 18, 2013. Neither firm is a State Certified MWESB contractor. The Bureau's level of confidence in the cost estimates for this project is High, as there is very good historical information showing purchases made for each fuel type and for each City site.

*An Equal Opportunity Employer*

*To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.*

The Chief Procurement Officer recommends the Council authorize the execution of price agreements with Fitz Enterprises, Inc., dba Star Oilco, and Bretthauer Oil Company to provide Annual Supply of Fuel for a 5-year contractual total not to exceed \$20,000,000 and \$12,500,000, respectively.

Recommended by:

Christine Moody  
Chief Procurement Officer

Agenda No.  
**REPORT NO.**  
 Title

Authorize price agreements with Fitz Enterprises, Inc., dba Star Oilco, and Bretthauer Oil Company to provide annual supply of fuel for a 5-year contractual total not to exceed \$20,000,000 and \$12,500,000, respectively. (Procurement Report-RFP No. 113986)

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| <b>INTRODUCED BY</b><br>Commissioner/Auditor:<br><b>Mayor Sam Adams</b>   | CLERK USE: DATE FILED <u>MAY 24 2012</u>                                    |
| <b>COMMISSIONER APPROVAL</b><br>Mayor—Finance and Administration - Adams <i>[Signature]</i>   | LaVonne Griffin-Valade<br>Auditor of the City of Portland                   |
| Position 1/Utilities - Fritz  | By: <u><i>[Signature]</i></u><br>Deputy                                     |
| Position 2/Works - Fish   |   |
| Position 3/Affairs - Saltzman   |   |
| Position 4/Safety - Leonard   |   |
| <b>BUREAU APPROVAL</b><br>Bureau: Internal Business Services, <i>[Signature]</i><br>Bureau Head: Bryant Enge                            | <b>ACTION TAKEN:</b><br>MAY 30 2012 <b>ACCEPTED</b> <u>PREPARE CONTRACT</u> |
| Prepared by: Jim Van Nest<br>Date Prepared: 5/16/12   |   |
| Financial Impact & Public Involvement Statement<br>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> |   |
| Council Meeting Date<br><b>May 30, 2012</b>   |   |
| <b>City Attorney Approval:</b><br>required for contract, code, easement, franchise, charter, Comp Plan                                  |   |

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| <b>AGENDA</b>   |
| <b>TIME CERTAIN</b> <input type="checkbox"/><br>Start time: _____<br><br>Total amount of time needed: _____<br>(for presentation, testimony and discussion) |
| <b>CONSENT</b> <input checked="" type="checkbox"/>  |
| <b>REGULAR</b> <input type="checkbox"/><br>Total amount of time needed: _____<br>(for presentation, testimony and discussion)                               |

| FOUR-FIFTHS AGENDA | COMMISSIONERS VOTED AS FOLLOWS: |      |
|--------------------|---------------------------------|------|
|                    | YEAS                            | NAYS |
| 1. Fritz           | ✓                               |      |
| 2. Fish            | ✓                               |      |
| 3. Saltzman        | ✓                               |      |
| 4. Leonard         | ✓                               |      |
| Adams              | ✓                               |      |