

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Don DePiero		2. Telephone No. 503 823-1804	3. Bureau/Office/Dept. Bureau of Internal Business Services (BIBS), City Fleet
4a. To be filed (hearing date): May 30 th , 2012	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: May 16, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation 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)

2) Purpose of the Proposed Legislation:

Funded by the Bureau of Internal Business Services (BIBS), City Fleet maintains the City's Fleet operations program. Fitz Enterprises, Inc., dba Star Oilco, and Bretthauer Oil Company will provide bulk fuel to designated City fuel tanks.

The purpose of this action is to 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.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source. No.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? Future expenditures are expected to not exceed \$6.5 million per year. Funding for these expenditures is contained in each year's Adopted Budget.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? No.
- Will positions be created or eliminated in *future years* as a result of this legislation? No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES:** Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

There are no anticipated impacts to the community as a result of this Council item.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved? The Minority Evaluator, Mr. Jaymes Winters, was one of the five evaluators of the proposals received. He was involved in this project from the receipt of proposals through consensus of the selected firms.


c) How did public involvement shape the outcome of this Council item? Mr. Winters provided valuable insight regarding the fueling industry and was a dedicated and valued evaluation team member.

d) Who designed and implemented the public involvement related to this Council item? Public involvement was implemented through the City's Minority Evaluator Program (MEP) which is authorized by City Resolution 36757 dated December 16, 2009. The MEP is managed by Program Coordinator Tiffani Penson.

e) Primary contact for more information on this public involvement process (name, title, phone, email): More information on the MEP program can be provided by Tiffani Penson, MEP Program Coordinator, at (503) 823-7785.

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary for this Council item. When this project is advertised again in approximately 5 years a Minority Evaluator will be included in the selection process.



APPROPRIATION UNIT HEAD BRYANT ENGE, Director, Bureau of Internal Business Services



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

Chief Procurement Office
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FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

DATE: May 18, 2012
TO: Mayor Sam Adams
FROM: Christine Moody, Chief Procurement Officer

RE: *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)

1. **INTENDED THURSDAY FILING DATE:** May 23, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** May 30, 2012
3. **CONTACT NAME & NUMBER:** Christine Moody x31095
4. **PLACE ON:** **CONSENT** **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** **Yes** **No** **N/A**
6. **ONE (1) ORIGINAL OF CONTRACT "APPROVED AS TO FORM" BY CITY ATTORNEY ATTACHED:** **Yes** **No** **N/A**

7. BACKGROUND/ANALYSIS:

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 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 anticipates procuring biodiesel blends, ultralow 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

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.

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.

Awarding price agreements to Fitz Enterprises, Inc., dba Star Oilco, and Bretthauer Oil Company will allow the City to continue its efficient and cost effective process of providing bulk fuel operations to City vehicles.

Legal issues - none known

Controversial issues – none known

Citizen participation – Mr. Jaymes Winters, Owner, Blue Leopard LLC, Investment Banking, participated as an evaluator under the Minority Evaluator Program.

Link to current city policies – none

Other governmental participation – none

8. FINANCIAL IMPACT:

The Office of Management and Finance, City Fleet, anticipates the cost for these price agreements to be approximately \$6,500,000 per year (\$4,000,000 to the Primary and \$2,500,000 to the Secondary Contractor) and funding will be available from adopted budgets each year

9. RECOMMENDATION/ACTION REQUESTED:

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.