



Legislation Text

File #: 22-2659, **Version:** 1

STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: December 14, 2022

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Jack Ireland

SUBJECT

Authorize a five-year service price agreement for the maintenance, repair, and replacement of fuel pumps, dispensing equipment, lines, and tanks for Citywide use - PSI JF Petroleum Group, Inc., lowest responsible bidder of two - Estimated amount of \$4,501,858.00 - Financing: General Fund (\$2,228,926.00), Equipment and Fleet Management Fund (\$2,013,020.00), Aviation Fund (\$97,612.00), Sanitation Services Fund (\$91,640.00), and Dallas Water Utilities Fund (\$70,660.00) (subject to annual appropriations)

BACKGROUND

This action does not encumber funds; the purpose of a service price agreement is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis according to annual budgetary appropriations. The estimated amount is intended as guidance rather than a cap on spending under the agreement, so that actual need combined with the amount budgeted will determine the amount spent under this agreement.

This service price agreement will provide for the maintenance, repair, and replacement of fuel pumps, dispensing equipment, lines, and tanks for Citywide use. The City's fueling sites include 59 fire stations, 8 service centers, police heliport, auto pound, and numerous additional sites throughout the City. This fuel dispensing equipment must be maintained in good working condition to ensure compliance with Texas Commission on Environmental Quality regulations and is subject to fines if it fails to pass annual inspections.

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a “living wage” rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The calculated living wage during the solicitation process of this contract is \$15.21; the selected vendor meets this requirement.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 25, 2019, City Council authorized a three-year service price agreement for the maintenance and repair of fuel pumps, dispensing equipment, lines, and tanks with D&H Fueling Solutions, Inc. by Resolution No. 19-1514.

[The Public Safety Committee will be briefed by memorandum regarding this matter on December 12, 2022.](#)

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
General Fund	\$439,856.48	\$ 459,575.34	\$1,329,494.18
Equipment and Fleet Management Fund	\$402,604.00	\$ 402,604.00	\$1,207,812.00
Aviation Fund	\$ 19,522.40	\$ 19,522.40	\$ 58,567.20
Sanitation Services Fund	\$ 18,328.00	\$ 18,328.00	\$ 54,984.00
Dallas Water Utilities Fund	\$ 14,130.00	\$ 14,130.00	\$ 42,400.00
Total	\$894,440.88	\$914,159.74	\$2,693,257.38

M/WBE INFORMATION

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal
\$4,501,858.00	Other Services	N/A
M/WBE Subcontracting %	M/WBE Overall %	M/WBE Overall Participation \$
N/A	N/A	N/A
• The Business Inclusion and Development Policy does not apply to Other Service contracts.		
• PSI JF Petroleum Group, Inc. - Non-Local; Workforce - 0.00% Local		

PROCUREMENT INFORMATION

Method of Evaluation for Award Type:

Low Bid	<ul style="list-style-type: none">• Recommended vendor is based on the lowest competitive quoted price, who is also technically and financially capable of performing and completing the contract, and otherwise meets all material specification requirements• Negotiations are not allowed
---------	---

The Office of Procurement Services received the following bids from solicitation number BAZ22-00019750. We opened them on August 12, 2022. We recommend the City Council award this service price agreement in its entirety to the lowest responsive and responsible bidder.

*Denotes successful bidder

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*PSI JF Petroleum Group, Inc.	3702 South Expressway 281 Edinburg, TX 78542	\$4,501,858.00
D&H united Fueling Solutions	3201 East Randoll Mill Rd. Arlington, TX 76011	\$5,018,326.25

OWNER

PSI JF Petroleum Group, Inc.

Keith Shadrick, Chief Executive Officer
David Whittington, Chief Financial Officer