



Legislation Text

File #: 20-1764, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: October 13, 2020

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Elizabeth Reich

SUBJECT

Authorize a five-year master agreement for Jet A fuel for the Police Department - Pinnacle Petroleum, Inc., lowest responsible bidder of eight - Estimated amount of \$333,240 - Financing: General Fund

BACKGROUND

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, 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 master agreement will provide for the purchase of Jet A fuel for the Police Department. This master agreement provides Jet A fuel for the operation of two helicopters for the Dallas Police Department. The fuel is stored underground in a City owned 10,000-gallon tank at the Dallas Executive Airport. Jet A fuel is the standard fuel for jet engines. This agreement provides jet fuel at an established markup which is added to the daily index price of the Platts price index report, a daily source of U.S. wholesale and retail petroleum prices. Platts is similar to Oil Price Information Service (OPIS) in providing prices in North America for energy products. The Helicopter Unit provides air support to patrol divisions and specialized units of the department. The unit is staffed 24 hours a day, 7 days a week to provide rapid response, tactical insight, and airborne assessments of incidents in a safe and professional manner. Through July of 2020 the helicopter unit has recorded the following operational results:

- Responded to 5,328 calls
- Assisted with 474 arrests
- Recovered 163 stolen cars
- First on scene to 3,337 calls
- Cleared 2,417 calls that no patrol car had to respond to

The Platts and OPIS pricing indices were both acceptable forms of establishing bid pricing for this solicitation, evaluated and awarded based on the lowest percent cost plus added to selected index. Use of either pricing indices by vendors was requested during the solicitation to maximize the possible cost savings and promote participation among vendors.

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. Additionally, in an effort to secure more competition, the Office of Economic Development Business Workforce and Inclusion Division sent notifications to chambers of commerce and advocacy groups to ensure maximum vendor outreach.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 12, 2012, City Council authorized a five-year master agreement for the purchase of Jet A fuel for the Police helicopter division with Eastern Aviation Fuels, Inc. by Resolution No. 12-2971.

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Years
General Fund	\$66,648.00	\$66,648.00	\$199,944.00

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	Category	M/WBE Goal	M/WBE %	M/WBE \$
\$333,240.00	Goods	18.00%	99.22%	\$330,626.84
• This contract exceeds the M/WBE goal.				
• Pinnacle Petroleum, Inc. - Non-Local; Workforce 0.00%				

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
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The Office of Procurement Services received the following bids from solicitation number BQ20-00013725. We opened them on July 10, 2020. We recommend the City Council award this master agreement in its entirety to the lowest responsive and responsible bidder.

*Denotes successful bidder

<u>Bidders</u>	<u>Address</u>	<u>Amount</u>
*Pinnacle Petroleum, Inc.	16651 Gemini Ln. Huntington Beach, CA 92647	7.95%
Sun Coast Resources, Inc.	6405 Cavalcade St. Building 1 Houston, TX 77026	8.34%
Associated Energy Group, LLC	8686 New Trails Dr. Suite 170 The Woodlands, TX 77381	17.03%
Arrow Energy, Inc.	1404 Industrial Dr. Suite 3 Saline, MI 48176	17.75%
Titan Aviation Fuels	601 McCarthy Blvd. New Bern, NC 28562	18.20%
Merrimac Energy Group	3738 Bayer Ave. Suite 204 Long Beach, CA 90808	20.66%
Campbell Oil	418 Peanut Rd. Elizabethtown, NC 28337	31.56%
The Bargain Source	2516 Morningside Dr. Garland, TX 75041	80.79%

OWNER

Pinnacle Petroleum, Inc.

Liz McKinley, President