

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Herb Hyman/797-1016

SUBJECT: Resolution

AFFECTED DISTRICT: n/a

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, APPROVING THE BIDS AWARDED BY THE CITY OF CORAL SPRINGS FOR DIESEL FUEL #2, LOW SULFUR, SOUTHEAST FLORIDA COOPERATIVE PURCHASING GROUP BID NO. 06-A-098.

REPORT IN BRIEF: A competitive bid was conducted for diesel fuel #2, low sulfur needed by the Town's fleet of vehicles. The City of Coral Springs acted as lead agency for the Southeast Florida Cooperative Purchasing Group for this bid. The City of Coral Springs sent bid specifications to thirty-three (33) prospective bidders and received seven (7) bids. The recommendation is for B.V. Oil Company as the primary source and MacMillan Oil Company as the secondary source. The benefit to awarding to a primary and a secondary source is to create a contractual relationship with more than one vendor so that in times of emergency, we have two sources to draw on to insure that the Town can obtain fuel to keep its fleet on the road. The initial contract is a one (1) year term with options to extend the contract for two (2) additional one (1) year terms by mutual agreement of the parties. Extensions, if appropriate, will be submitted to the Town Council for approval.

PREVIOUS ACTIONS: Not applicable

CONCURRENCES: n/a.

FISCAL IMPACT:

Has request been budgeted? yes

If yes, expected cost: Commodity

Account Name: Operating Budget of Using Departments

Additional Comments: Not applicable

RECOMMENDATION(S): Motion to approve the resolution.

Attachment(s):

Award documentation from the City of Coral Springs

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, APPROVING THE BIDS AWARDED BY THE CITY OF CORAL SPRINGS FOR DIESEL FUEL #2, LOW SULFUR, SOUTHEAST FLORIDA COOPERATIVE PURCHASING GROUP BID NO. 06-a-098.

WHEREAS, the Town is in need of diesel fuel #2, low sulfur for the Town's fleet of vehicles; and

WHEREAS, THE City of Coral Springs, acting as lead agency for the Southeast Florida Cooperative Purchasing Group, solicited sealed bids for such diesel fuel; and

WHEREAS, after review, the Town Council wishes to approve the bids awarded by the City of Coral Springs to B.V. Oil Company and MacMillan Oil Company.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council hereby approves the bids awarded by the City of Coral Springs to B.V. Oil Company as the primary source and MacMillan Oil Company as the secondary source of diesel fuel #2, low sulfur in accordance with unit prices determined by the OPIS index.

SECTION 2. The Town Council hereby authorizes the expenditure from the operating budgets of using departments.

SECTION 3. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2006

MAYOR/COUNCILMEMBER

Attest:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2006

**City of Coral Springs
City Commission Agenda Item
SUMMARY SHEET**

CITY COMMISSION MEETING OF: May 16, 2006 Agenda Item: _____

DEPARTMENT: Financial Services Department/Purchasing Division

PREPARED BY: Angelo Salomone, Purchasing Administrator Initials: _____

COPIES TO:
T. Planco, Central Stores Coordinator
R. Jensen, Fleet Services Superintendent
R. Glasco-Foderingham, Assistant City Attorney
D. Russek, Financial Services Director
S. Goren, City Attorney

SUBJECT: Diesel Fuel and Biodiesel

REQUESTED ACTION: Award Southeast Florida Governmental Purchasing Cooperative Group Contract

STAFF RECOMMENDATION:

Award the contract for Diesel Fuel and Biodiesel through the Southeast Florida Governmental Purchasing Cooperative Group, RFP # 06-A-098, to the following firms:

PRIMARY AWARD:

BV Oil Company, Items 1 thru 7
Urbietta Oil Co., Items 8 & 9

SECONDARY AWARD:

MacMillan Oil Co., Items 1 thru 7

beginning June 1, 2006 and terminating on May 31, 2007 with two additional one year renewals possible. The estimated annual expenditure for the City of Coral Springs under this contract is approximately \$270,000 for diesel fuel and approximately \$90,000 for biodiesel.

Location: X City Wide
 _____ Specific _____
 _____ NA

ATTACHMENTS AVAILABLE ON DISK:

Proposal Tabulation

ATTACHMENTS AVAILABLE ON HARD COPY:

CITY OF CORAL SPRINGS
CITY COMMISSION MEETING OF May 16, 2006

Subject: DIESEL FUEL AND BIODIESEL

Background Information:

1. Using Department(s): City-Wide

2. Justification for Award Recommendation:
 _____ Most responsive and responsible Bidder
 X Highest ranked Proposer
 _____ Other _____

3. Is this item in the adopted budget? X Yes _____ No

4. Is this item in the CIP? _____ Yes X No

5. No. of Vendors solicited: 33
 No. of Coral Springs firms solicited: 0
 No. of Vendors responding: 7

6. Agreement Info: _____ Contract executed by Firm
 X N/A

7. Insurance: X Approved
 _____ N/A

8. Additional information:

The City of Coral Springs, acting as lead agency for the purchase of diesel fuel and biodiesel fuel for the Southeast Florida Governmental Purchasing Cooperative Group has solicited proposals for this necessary commodity, using the estimated usage of the 25 agencies that chose to participate in this procurement. It is estimated that the value of this contract in total will exceed \$26 million dollars judged by today's prices. The Coop buys diesel fuel and biodiesel on a formula in which prices are based on the average weekly closing price as published in the Oil Price Information Service (OPIS) report from Port Everglades, Florida, plus a markup.

A Request for Proposals process was used in which proposers were evaluated on qualifications, delivery and storage facilities, emergency action plans, and cost of fuel. Each proposer was also required to submit information regarding their sources of supply, indicating the ability to obtain and deliver diesel and biodiesel products under both normal and emergency situations.

The evaluation committee for this procurement consisted of:

- Angelo Salomone, City of Coral Springs
- Donna Council, City of Deerfield Beach
- James Hemphill, City of Ft. Lauderdale
- Michael Rath, City of Miami
- George Toman, Broward County School Board
- James Fourcade, Broward County Mass Transit Div., Broward County Comm.

Memorandum to City Commission
Diesel Fuel and Biodiesel
May 16, 2006
Page 3

The committee evaluated the proposals and recommended BV Oil Company as the primary award for diesel products, items 1 thru 7 and MacMillan Oil Company as the secondary awardee for these products. Urbietta Oil Company is recommended for provision of Biodiesel, items 8 and 9.

A primary consideration in the award of this contract is the ownership of fuel storage tanks locally and the ownership of a fleet of trucks to make deliveries, both of which are critical factors in the provision of fuel during emergency situations. All recommended firms have this infrastructure in place.

The members of the Cooperative Group have done business with BV Oil Co. and MacMillan Oil Company. Both firms have a positive history with the Coop members in regards to on time delivery of quality products. Each of the proposers has demonstrated a capacity to meet these requirements and satisfy the demands of the Cooperative Group for these critical commodities.

The new supplier for Biodiesel, Urbietta Oil Co., has local storage capacity and their own fleet of delivery trucks, which is an indication of capability to provide supplies of this product to the City. In the case of biodiesel, the market has smoothed considerably in the past year, and a reduction in the markup was experienced from \$.415 to \$.17 per gallon. The supply of material used to add to diesel product, basically vegetable oil, has become more stable in the past year, as was expected.

Also, a change in procurement practice for diesel fuel is recommended. In the past, when a primary and secondary award of this contract was made, the secondary vendor was used only if fuel was unavailable from the primary source. In order to build a business relationship with the secondary awardee, and, therefore, enhance the opportunity to obtain fuel during emergency situations, staff recommends that approximately 25% of the City's fuel orders be placed with MacMillan Oil Company, the secondary awardee. The cost differential to the City of this recommendation over a one year period would be approximately \$2,500. This small differential would serve to further diversify our diesel fuel supply, without unnecessarily diluting the benefit of the cooperative purchasing process. This strategy is being recommended to all agencies participating in this contract by the evaluation committee.

CITY OF CORAL SPRINGS
PURCHASING DIVISION
TABULATION

DIESEL AND BIODESEL FOR S.E. FLORIDA GOVT. PURCHASING COOPERATIVE GROUP

RFP NUMBER: 06-A-098 NO. VENDORS RESPONDED: 7
RFP OPENING DATE: 04/17/06 PURCHASING AGENT: A. SALOMONE

VENDOR		Urbeta Oil Co.										
CONTACT		William Eagan										
PHONE		305 884-0008										
Item No.	Description	Opis price*	Firm markup (+) Discount (-)	Unit Price per Gal.	Est. Qty. (Gallons)	Total Price	Opis price	Firm markup (+) Discount (-)	Unit Price per Gal.	Est. Qty. (Gallons)	Total Price	
1	Diesel Fuel #2 Low Sulfur - Tankwagon	1.9672	=	X	915,875	NB	1.9672	+1700 =	2.1372 X	915,875	\$1,957,408.00	
2	Diesel Fuel #2 Low Sulfur - Transport	1.9485	=	X	5,242,678	NB	1.9485	+0950 =	2.0435 X	5,242,678	\$10,713,412.00	
3	Diesel Fuel #2 Ultra Low Sulfur Tankwagon	2.00 (est.)	=	X	915,875	NB	2.00 (est.)	+1700 =	2.1700 X	915,875	\$1,987,449.00	
4	Diesel Fuel #2 Ultra Low Sulfur Transport	2.00 (est.)	=	X	5,197,678	NB	2.00 (est.)	+0950 =	2.0950 X	5,197,678	\$10,889,135.00	
5	Diesel Fuel #2 High Sulfur Tankwagon	1.9097	=	X	107,310	NB	1.9097	+1700 =	2.0797 X	107,310	\$223,173.00	
6	Diesel Fuel #2 Red Dye Low Sulfur TankWagon	1.9759	=	X	37,000	NB	1.9759	+1700 =	2.1459 X	37,000	\$79,398.00	
7	Diesel Fuel #2 Red Dye Low Sulfur Transport	1.9759	=	X	2,000	NB	1.9759	+0950 =	2.0709 X	2,000	\$4,142.00	
8	Biodiesel Fuel B20 Tankwagon	1.9672	+4500 =	X	45,000	\$108,774.00	1.9672	+1700 =	2.1372 X	45,000	\$96,174.00	
9	Biodiesel fuel B20 Transport	1.9672	=	X	0	NB	1.9672	+0950 =	2.0622 X	0	\$0.00	
Total Cost:						\$108,774.00						\$25,810,162.00

*OPIS price as of 3/20/06 used for bid evaluation only.

No bid: Port Consolidated, Inc., Ft. Lauderdale, FL

CITY OF CORAL SPRINGS
PURCHASING DIVISION
TABULATION

RFP NUMBER: 06-A-098
RFP OPENING DATE: 04/12/06
DIESEL AND BIODIESEL FOR S.E. FLORIDA GOVT. PURCHASING COOPERATIVE GROUP
NO. VENDORS RESPONDED: 7
PURCHASING AGENT: A. SALOMONE

VENDOR CONTACT		Lank Oil Co.		BV Oil Co., Inc.						
PHONE		Monty Michel 954 978-6600		Alex Varas 305 593-0705						
Item No.	Description	Opis price*	Firm markup (+) Discount (-)	Unit Price per Gal.	Est. Qty. (Gallons)	Total Price	Firm markup (+) Discount (-)	Unit Price per Gal.	Est. Qty. (Gallons)	Total Price
1	Diesel Fuel #2 Low Sulfur - Tankwagon	1.9672	+1,000 =	2.0672 X	915,875	\$1,893,297.00	+0.383 =	2.0055 X	915,875	\$1,836,787.00
2	Diesel Fuel #2 Low Sulfur - Transport	1.9485	=	X	5,242,678	NB	+0.128 =	1.9613 X	5,242,678	\$10,282,464.00
3	Diesel Fuel #2 Ultra Low Sulfur Tankwagon	2.00 (est.)	+1,000 =	2.1000 X	915,875	\$1,923,338.00	+0.383 =	2.0383 X	915,875	\$1,866,828.00
4	Diesel Fuel #2 Ultra Low Sulfur Transport	2.00 (est.)	=	X	5,197,678	NB	+0.128 =	2.0128 X	5,197,678	\$10,461,886.00
5	Diesel Fuel #2 High Sulfur Tankwagon	1.9097	+1,500 =	2.0597 X	107,310	\$221,026.00	+1.380 =	2.0477 X	107,310	\$219,739.00
6	Diesel Fuel #2 Red Dye Low Sulfur TankWagon	1.9759	+1,500 =	2.1259 X	37,000	\$78,658.00	+0.830 =	2.0589 X	37,000	\$76,179.00
7	Diesel Fuel #2 Red Dye Low Sulfur Transport	1.9759	=	X	2,000	NB	+0.130 =	1.9889 X	2,000	\$3,978.00
8	Biodiesel Fuel B20 Tankwagon	1.9672	+2,500 =	2.2172 X	45,000	\$99,774.00	=	X	45,000	NB
9	Biodiesel fuel B20 Transport	1.9672	=	X	0	NB	=	X	0	NB
Total Cost:						\$4,216,093.00				\$24,747,861.00

*OPIS price as of 3/20/06 used for bid evaluation only.

**CITY OF CORAL SPRINGS
PURCHASING DIVISION
TABULATION**

RFP NUMBER: 06-A-098 **DIESEL AND BIODIESEL FOR S.E. FLORIDA GOVT. PURCHASING COOPERATIVE GROUP** **NO. VENDORS RESPONDED: 7**
RFP OPENING DATE: 04/12/06 **Petroleum Traders Corp.** **MacMillan Oil Co. of Florida, Inc.** **PURCHASING AGENT: A. SALOMONE**

Item No.	Description	Opis price*	Firm markup (+) Discount (-)	Unit Price per Gal.	Est. Qty. (Gallons)	Total Price	Opis price	Firm markup (+) Discount (-)	Unit Price per Gal.	Est. Qty. (Gallons)	Total Price
1	Diesel Fuel #2 Low Sulfur - Tankwagon	1.9672	=	X	915,875	NB	1.9672	+ .1225=	2.0897 X	915,875	\$1,913,904.00
2	Diesel Fuel #2 Low Sulfur - Transport	1.9485	+ .0176=	X	5,242,678	\$10,307,629.00	1.9485	+ .0575=	2.0060 X	5,242,678	\$10,516,812.00
3	Diesel Fuel #2 Ultra Low Sulfur Tankwagon	2.00 (est.)	=	X	915,875	NB	2.00 (est.)	+ .1250=	2.1250 X	915,875	\$1,946,234.00
4	Diesel Fuel #2 Ultra Low Sulfur Transport	2.00 (est.)	=	X	5,197,678	NB	2.00 (est.)	+ .0625=	2.0625 X	5,197,678	\$10,720,211.00
5	Diesel Fuel #2 High Sulfur Tankwagon	1.9097	=	X	107,310	NB	1.9097	+ .1625=	2.0722 X	107,310	\$222,368.00
6	Diesel Fuel #2 Red Dye Low Sulfur Tankwagon	1.9759	=	X	37,000	NB	1.9759	+ .1525=	2.1284 X	37,000	\$78,751.00
7	Diesel Fuel #2 Red Dye Low Sulfur Transport	1.9759	=	X	2,000	NB	1.9759	+ .0575=	2.0334 X	2,000	\$4,067.00
8	Biodiesel Fuel B20 Tankwagon	1.9672	=	X	45,000	NB	1.9672	+ .4000=	2.3672 X	45,000	\$106,524.00
9	Biodiesel fuel B20 Transport	1.9672	=	X	0	NB	1.9672	=	X	0	NB
Total Cost:						\$10,307,629.00					\$25,508,871.00

*OPIS price as of 3/20/06 used for bid evaluation only.

CITY OF CORAL SPRINGS
PURCHASING DIVISION
TABULATION

DIESEL AND BIODIESEL FOR S.E. FLORIDA GOVT. PURCHASING COOPERATIVE GROUP

06-A-098

04/12/06

RFP NUMBER:

RFP OPENING DATE:

Mansfield Oil Co.

Josh Epperson

NO. VENDORS RESPONDED: 7

PURCHASING AGENT: A. SALOMONE

Item No.	Description	Opis price*	Firm markup (+) Discount (-)	Unit Price per Gal.	Est. Qty. (Gallons)	Total Price
1	Diesel Fuel #2 Low Sulfur - Tankwagon	1.9672	=	X	915,875	NB
2	Diesel Fuel #2 Low Sulfur - Transport	1.9485	+ .0154=	1.9639 X	5,242,678	\$10,296,095.00
3	Diesel Fuel #2 Ultra Low Sulfur Tankwagon	2.00 (est.)	=	X	915,875	NB
4	Diesel Fuel #2 Ultra Low Sulfur Transport	2.00 (est.)	+ .0285=	2.0285X	5,197,678	\$10,543,490.00
5	Diesel Fuel #2 High Sulfur Tankwagon	1.9097	=	X	107,310	NB
6	Diesel Fuel #2 Red Dye Low Sulfur Tankwagon	1.9759	=	X	37,000	NB
7	Diesel Fuel #2 Red Dye Low Sulfur Transport	1.9759	+ .0225=	1.9984 X	2,000	\$3,997.00
8	Biodiesel Fuel B20 Tankwagon	1.9672	=	X	45,000	NB
9	Biodiesel fuel B20 Transport	1.9672	=	X	0	NB
Total Cost:						\$20,843,582.00

*OPIS price as of 3/20/06 used for bid evaluation only.



"MARY MARINACE"
<MLM@coralsprings.org>
05/04/2006 11:34 AM

To <awolf@broward.org>, <jfourcade@broward.org>,
<kcheerangie@broward.org>,
<george.toman@browardschools.com>,
cc
bcc
Subject Diesel & Biodiesel

memorandum

to: Co-op members
from: Angelo salomone, City of coral springs
subject: Diesel and biodiesel
date: 5/4/2006
cc: file 06-a-098 RFP

Dear Co-Op Members,

Attached you will find my agenda report and the proposal tabulation with the recommendation for award for diesel fuel. As you can see, a primary and a secondary vendor for items 1 thru 7, typical diesel products, is being recommended. B.V. Oil Company is the primary awardee and MacMillan Oil Company is the secondary awardee. As a result of the evaluation committee's review of the proposals and in light of the difficult fuel situations which have occurred during hurricane season in the last two years, a change in the use of the secondary award is recommended by the committee. In the past, the secondary award was normally used only when fuel was not available from the primary vendor. We have discovered, through the school of hard knocks, that only contacting a vendor during emergency situations simply doesn't work. If you don't have a track record of buying fuel from a vendor during normal times, there is no chance of obtaining fuel from that vendor during a crisis, with all of their regular customers also clamoring for fuel. In light of this, the committee is recommending that the participating agencies for this procurement set aside a certain amount of purchases with the secondary vendor, in order to build a better business relationship.

For instance, the City of Coral Springs is recommending this action to our commission and that we purchase 25% of our diesel products, with the exception of biodiesel, from MacMillan Oil Company as the secondary awardee. The City buys about 200,000 gallons of diesel fuel a year. If 25% of that is purchased from MacMillan, with an additional cost of approximately 4-1/2 cents per gallon over the cost of the primary awardee, the additional cost to the City over a one year period will probably be less than \$2,500. Based on recent past history, this is a small price to pay in order to enhance our chances of buying diesel fuel from this secondary source should another hurricane strike our area, God forbid.

This idea will be further discussed at the May 5, 2006 Co-Op meeting in Parkland. I would welcome any discussion on this issue at that point, although I doubt seriously you could get me to change my mind. If any participating agency has any questions or comments on this contract, please feel free to contact me at any time.

Angelo

===== CITY OF CORAL SPRINGS =====

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Florida Profit

B.V. OIL COMPANY, INC.

PRINCIPAL ADDRESS

7950 NW 58TH ST.
DORAL FL 33166
Changed 04/19/2005

MAILING ADDRESS

P O BOX 667568
P O BOX 667568
MIAMI FL 33166 US
Changed 05/02/2000

Document Number G44601	FEI Number 592304457	Date Filed 06/16/1983
State FL	Status ACTIVE	Effective Date NONE

Registered Agent

Name & Address
ANDRES L. VARAS 8720 SW 99TH STREET MIAMI FL 33176
Name Changed: 06/17/1991
Address Changed: 04/28/2004

Officer/Director Detail

Name & Address	Title
VARAS, ALEJANDRO A 4815 SAN AMARO DRIVE CORAL GABLES FL 33146	PD
VARAS, ANDRES L 8720 SW 99TH STREET MIAMI FL 33176	VP

Annual Reports

Report Year	Filed Date
2003	04/28/2003
2004	04/28/2004
2005	04/19/2005

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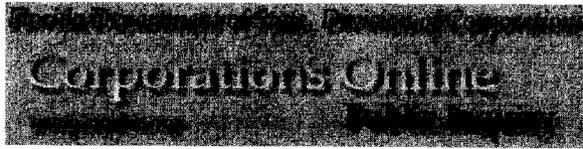
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- 04/19/2005 -- ANNUAL REPORT
- 04/28/2004 -- ANNUAL REPORT
- 04/28/2003 -- ANN REP/UNIFORM BUS REP
- 05/09/2002 -- COR - ANN REP/UNIFORM BUS REP
- 04/27/2001 -- ANN REP/UNIFORM BUS REP
- 05/02/2000 -- ANN REP/UNIFORM BUS REP
- 04/30/1999 -- ANNUAL REPORT
- 05/04/1998 -- ANNUAL REPORT
- 03/28/1997 -- ANNUAL REPORT
- 06/28/1996 -- 1996 ANNUAL REPORT

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Florida Profit

MACMILLAN OIL CO.

PRINCIPAL ADDRESS
 1731 COMMERCE AVE
 VERO BEACH FL 32960-6205
 Changed 02/15/2001

MAILING ADDRESS
 1731 COMMERCE AVE
 VERO BEACH FL 32960-6205
 Changed 02/15/2001

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Last Event VOLUNTARY DISSOLUTION	Event Date Filed 06/23/2003	Event Effective Date NONE

Registered Agent

Name & Address
MACMILLAN, RANDOLPH P 1731 COMMERCE AVE VERO BEACH FL 32960-6205 Address Changed: 02/15/2001

Officer/Director Detail

Name & Address	Title
MACMILLAN, RANDOLPH P 1731 COMMERCE AVE VERO BEACH FL 32960-6205	PD
MACMILLAN, RONALD J 305 LIVE OAK RD	D

VERO BEACH FL 32963	
MACMILLAN, DAVID G. JR 305 LIVE OAK RD	
VERO BEACH FL 32963	
	D

Annual Reports

Report Year	Filed Date
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2001	02/15/2001
2002	04/10/2002

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02/20/2000 -- ANN REP/UNIFORM BUS REP
04/09/1999 -- ANNUAL REPORT
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03/20/1997 -- ANNUAL REPORT
05/01/1996 -- 1996 ANNUAL REPORT

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