

Action Memorandum No. 2020-08

Subject:

Authorize the City Manager to Award a Contract for RFP 2020-04, Furnish Petroleum & Propane Fuels FY21, with the option to extend the contract through FY22, at the City's sole discretion.

City Manager: Recommend Approval

Signature: 

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

-RFP 2020-04 Bid Summary Memo

Summary Statement:

This action memorandum authorizes administration to sign a contract with Bristol Alliance Fuels for No. 1 and No. 2 Diesel, Unleaded Gasoline, and Propane (delivered and at the pump). The City did not receive any other responsive bids.

The bid due date was September 17, at 4:00 PM and bids were opened immediately following. Notices were posted in three public places, as required. Additionally, the RFP was advertised on the City website and in the ADN on August 25 and again on September 1.

(Such publication shall be made twice, with at least one week, but not more than two weeks, intervening between publications, and there shall be sufficient time between the date of last publication and the bid opening for preparation of bids, which time shall not be less than two weeks.)

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Summary Statement continued:

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council on Oct 1, 2020.



Mayor

ATTEST:

[SEAL]



City Clerk

Route to	Department Head	Date
X	Finance Director	
X	Public Works Director	
X	Planning Director	
X	City Clerk	

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Bill Rodawalt
Kaleb Westfall
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: September 18, 2020
To: Tod Larson, City Manager
From: Cynthia Rogers, Planning Director
Subject: RFP 2020-04, Petroleum & Propane Fuel FY21, Bid Summary

The City of Dillingham solicited sealed bids for furnishing and delivering petroleum and propane fuel to various City facilities for the contractual period of November 8, 2020 through June 30, 2021, with the option to extend the contract from July 1, 2021 through June 30, 2022. With at least 30 days written notice to the lowest bidder(s), the City may at its sole discretion, exercise the option to extend the contract for a one year period, from July 1, 2021 to June 30, 2022 at the existing bid rates. Written notice shall not be required if the option to extend the contract beyond June 30, 2021 is not exercised.

The rationale behind structuring the RFP in this way was: 1) To set prices in advance for FY22 for budgeting purposes; 2) Align the contract to coincide with the FY; 3) Potentially get lower prices by offering a longer contract to the successful bidder; 4) Provide maximum flexibility to the City in the event commodity prices fluctuate significantly in 2021.

The RFP was advertised in the ADN on August 25 and again on September 1, with a bid deadline of Thursday, September 17. Two bids were received by the deadline as follows:

1. Vitus Energy, LLC
 - The bid was not considered responsive, because the bid prices stated would only apply to the "base period" of November 8, 2020 through June 30, 2021 and would not be honored for the extension period of July 1, 2021 through June 30, 2022, as required.
2. Bristol Alliance Fuels
 - This was the only responsive bid, and the only bid for propane (delivered and at the pump).

As the only responsive bidder, Bristol Alliance Fuels should be awarded this contract. The City should deliver notice to BAF no later than May 31, 2021 if it wishes to exercise the one-year extension (July 1, 2021 to June 30, 2022) at existing bid prices.

The following is a comparison of the lowest bids received for petroleum and propane fuels from FY19-FY21, for reference:

Petroleum & Propane Fuel Bid Comparison FY19-FY21

		FY19		FY20		FY21	
Date & Time Proposal Rcvd.		7/30/18, 10:00 am	7/29/18, 10:35 am	10/17/19, 3:42 pm	9/17/20, 10:33 am		
VENDORS							
		Bristol Alliance Fuels	Delta Western	Vitus Energy LLC	Bristol Alliance Fuels		
ITEMS	BID AMOUNT						
No. 1 Diesel, gallons	75,000	\$ 3.19	-	\$ 3.48	\$ 3.25		
	subtotal	\$ 239,250.00	-	\$ 261,000.00	\$ 243,750.00		
No. 2 Diesel, gallons	30,000	\$ 3.59	-	\$ 3.48	\$ 3.25		
	subtotal	\$ 107,700.00	-	\$ 104,400.00	\$ 97,500.00		
Unleaded Gasoline, gallons	20,000	\$ -	3.60	\$ 4.16	\$ 4.00		
	subtotal	\$ -	\$ 72,000.00	\$ 83,200.00	\$ 80,000.00		
Propane Delivered, gallons	375	\$ 4.89	-	\$ -	\$ 6.60		
	subtotal	\$ 1,833.75	-	\$ -	\$ 2,475.00		
Propane at Pump, gallons	150	\$ 4.89	-	\$ -	\$ 6.60		
	subtotal	\$ 733.50	-	\$ -	\$ 990.00		
Total Bid Amount		\$ 349,517.25	\$ 72,000.00	\$ 448,600.00	\$ 424,715.00		
Yearly Total Bid Amount		\$	421,517.25	\$ 448,600.00	\$ 424,715.00		

NOTICE OF INTENT TO AWARD

ISSUE DATE: September 18, 2020
RFP NUMBER AND TITLE: RFP 2020-04 Petroleum & Propane Fuel FY21
RFP DEADLINE: September 17, 2020, 4:00 PM
BIDDERS OF RECORD INCLUDE:

- Bristol Alliance Fuels
- Vitus Energy, LLC

Based on the criteria established in the Request for Proposal (RFP), the City of Dillingham hereby provides notice of its intent to award the contract to:

Bristol Alliance Fuels

Any bidder who believes the contract has been improperly awarded may file a protest with the City Clerk, Lori Goodell, within 5 days from the date of this notice and appear in person before the City Council according to the provision of the Dillingham Municipal Code Section 4.30.100 E. The next regularly scheduled City Council meeting will be held on October 1, 2020.

The entire Dillingham Municipal Code can be found on the City's website.

Prior to issuance of a Notice to Proceed, the successful bidder must provide the licensing and insurance documents as outlined in RFP 2020-04, to the City of Dillingham prior to C.O.B on October 2, 2020.

The successful vendor is instructed not to begin work, purchase materials, or enter into subcontracts relating to the project until both the recipient and the City have signed the contract and a Notice to Proceed has been issued. AS 36.30.365.

Sincerely,



Tod Larson
City Manager
(907) 842-5148



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Sincerely,

A handwritten signature in blue ink that reads "Tod Larson".

Tod Larson
City Manager
(907) 842-5148