



## City of Hallandale Beach City Commission Agenda Cover Memo

<b>Meeting Date:</b>	August 15, 2018		<b>Item Type:</b> <i>(Enter X in box)</i>	Resolution  x	Ordinance	Other
<b>Fiscal Impact:</b> <i>(Enter X in box)</i>	Yes	No	<b>Ordinance Reading:</b> <i>(Enter X in box)</i>	1 <sup>st</sup> Reading		2 <sup>nd</sup> Reading
	x		<b>Public Hearing:</b> <i>(Enter X in box)</i>	Yes	No	Yes    No
<b>Funding Source:</b>	001-141300 INVENTORY OF SUPPLIES/Unleaded Fuel		<b>Advertising Requirement:</b> <i>(Enter X in box)</i>	Yes		No
	001-141400 INVENTORY OF SUPPLIES/Diesel				x	
<b>Account Balance:</b>	FY17/18 Budget Request:		<b>Quasi Judicial:</b> <i>(Enter X in box)</i>	Yes		No
	Diesel Fuel: \$33,271 (Obj. 552140) Unleaded Fuel: \$62,478 (Obj. 552150) \$95,769 <i>(Budget transfers will be processed to make additional funds available)</i>					
<b>Project Number :</b>			<b>RFP/RFQ/Bid Number:</b>	RFP # E-13-17 (Pompano Beach serving as lead agency for Co-op)		
<b>Contract/P.O. Required:</b> <i>(Enter X in box)</i>	Yes	No	<b>Strategic Plan Priority Area:</b> <i>(Enter X in box)</i>			
	x		<b>Safety</b>	<input type="checkbox"/>		
			<b>Quality</b>	<input checked="" type="checkbox"/>		
			<b>Vibrant Appeal</b>	<input type="checkbox"/>		
<b>Sponsor Name:</b>	Roger M. Carlton, City Manager		<b>Department:</b> Public Works	Steven F. Parkinson, P.E., PWLF, Assistant City Manager/Public Works Director		

**Short Title:**

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE A CHANGE ORDER PURSUANT TO SECTION 23-12 OF THE HALLANDALE BEACH CODE OF ORDINANCES TO PORT CONSOLIDATED, INC. IN AN AMOUNT NOT TO EXCEED ONE**

**HUNDRED TWENTY THOUSAND DOLLARS (\$120,000) TO CONTINUE TO PURCHASE DIESEL FUEL AND UNLEADED GASOLINE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**Staff Summary:**

**Background:**

The City of Hallandale Beach is a Participating Agency in the Southeast Florida Governmental Purchasing Cooperative (Co-Op). The Co-Op is comprised of governmental entities from Broward, Miami Dade and Palm Beach Counties. The City participates in the Co-Op in order to take advantage of cost savings that a city of our size would otherwise be unable to realize.

The Department of Public Works - Fleet Maintenance Division, is responsible for servicing and providing fuel for all City vehicles in the Fire, Police, Code Compliance, Parks and Recreation, Human Services and Public Works Departments. Public Works also is responsible for tracking and ordering, when necessary, the diesel and unleaded fuel inventory for all of the City generators, all lift stations and the underground tanks located at the Department of Public Works Compound.

The City of Hallandale Beach has utilized Co-op contract RFP # 14-A-035, through the Southeast Florida lead agency (the City of Coral Springs), to purchase diesel fuel and unleaded gasoline since July 1, 2014 from MacMillan Oil Co. of Florida, Inc (Exhibit 2). This contract expired March 31, 2017.

Pompano Beach approved the Ordinance awarding RFP # E-13-17 to Port Consolidated, Inc. on 1<sup>st</sup> Reading (February 28, 2017) and on 2<sup>nd</sup> Reading (March 14, 2017) for the purchase of diesel fuel and unleaded gasoline. The term of the contract is for three years and includes the option to renew the contract with one additional two year term (Exhibit 3 – RFP and Signed Agreement). The City of Hallandale Beach City Commission authorized use of this contract via Resolution No. 2017-33 during the March 15, 2017 City Commission Meeting (Exhibit 4).

On October 4, 2017, the City Commission approved Resolution No. 2017-116 authorizing the City Manager to purchase diesel fuel and unleaded gasoline from Port Consolidated, Inc. in an amount not to exceed the budgeted amount for fuel purchases (\$475,150) during FY17/18, through the Southeast Florida Governmental Purchasing Cooperative Group, RFP # E-13-17

**Current Situation and Fiscal Impact:**

The Public Works Department anticipates that the fuel expenditure for FY 17/18 will go over the City Commission approved amount of \$475,150. This change is due to an unanticipated increase in per gallon cost of fuel from an average of \$1.97 to \$2.21 for unleaded fuel and an average of \$1.93 to \$2.31 for diesel fuel.

The current consumption of fuel has not increased compared to FY 16/17 and in fact has gone down on a monthly basis by 3% for unleaded and 8% for diesel. Following is the consumption and price comparison between FY 16/17 and FY 17/18.

Fiscal Year	Fuel Type	Consumption (gal)	Average Monthly Consumption (Gal)	Cost per Gal
FY 16/17	Unleaded Fuel	179,704	14,975	\$1.97
FY 16/17	Diesel Fuel	53,582	4,465	\$1.93
FY 17/18 (Through 7/15/2018)	Unleaded Fuel	132,884	13,988	\$2.21
FY 17/18 (Through 7/15/2018)	Diesel Fuel	37,498	3,947	\$2.31

The fuel expenditures to date amount to \$450,653. Fuel prices are volatile, and although the City did prepare for fuel increase when budgeting for FY17/18, the projected increase is less than the actual increase. The anticipated additional expenditure for the remainder of FY 17/18 is \$120,000 for a total expenditure of \$595,150.

Budget transfers will be processed to make these funds available in the unleaded and diesel fuel accounts as the departments monitor their expenditures in the upcoming months.

**Why Action is Necessary:**

Pursuant to Chapter 23, Section 23-12 - Purchases in excess of \$50,000 (7) - Change Orders -, any change in the contract price, scope of work or time for completion of any project following the award of a contract shall be by a written change order, approved by the city manager and executed with the same formalities as the contract.

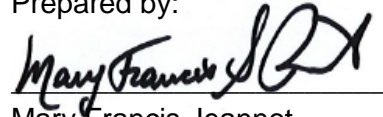
**Proposed Action:**

Staff recommends approval of the attached Resolution authorizing the City Manager to increase the amount to be expended to purchase diesel fuel and unleaded gasoline from Port Consolidated, Inc. to an amount not to exceed five hundred ninety thousand one hundred and fifty dollars (\$595,150) for FY17/18, through the Southeast Florida Governmental Purchasing Cooperative Group, RFP # E-13-17.

**Attachment(s):**

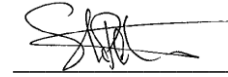
Exhibit 1 – Resolution  
Exhibit 2 – Resolution 2017-116  
Exhibit 3 – RFP # E-13-17 and Executed Contract

Prepared by:



Mary Francis Jeannot  
Assistant Director of Public Works/Administration

Department Head Review:



Steven F. Parkinson, Assistant City  
Manager/Director of Public Works

*Andrea Lues*

Andrea Lues, Procurement Director



Emile Lopez, Finance Director



Marie Gouin  
Budget Director