



400 South Federal Hwy  
Hallandale Beach, FL 33009

## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:		Item Type:		1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
<b>8/10/2022</b>		<input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Other</b>	Ordinance Reading	<b>N/A</b>	<b>N/A</b>
File No.:			Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
			Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
<b>22-250</b>			Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):		Account Balance (\$):	Funding Source:	Project Number:	
<b>\$975,000</b>		Inventory Accounts	<b>001-141400 – Diesel</b>	<b>N/A</b>	
		Expense Accounts	<b>001-141300 – Unleaded</b>		
			<b>Various Orgs</b>		
			<b>552150 Unleaded</b>		
			<b>552140 Diesel</b>		
Contract/P.O. Required		RFP/RFP/Bid Number:	Sponsor Name:	Department:	
<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<b>Southeast Florida Governmental Purchasing Cooperative Group, RFP # E-03-22</b>	<b>Jeffrey Odoms, Director</b>	<b>Public Works</b>	
Strategic Plan Focus Areas:					
<input checked="" type="checkbox"/> <b>Finance &amp; Budget</b>		<input type="checkbox"/> <b>Organizational Capacity</b>		<input type="checkbox"/> <b>Infrastructure/Projects</b>	
Implementation Timeline:					
Estimated Start Date: 10/1/2021			Estimated End Date: 9/30/2022		

**SHORT TITLE:**

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO UTILIZE THE CITY OF POMPAÑO BEACH RFP E-13-17 FOR THE SOUTHEAST FLORIDA GOVERNMENTAL PURCHASING COOPERATIVE GROUP CONTRACT WITH PORT CONSOLIDATED, INC. TO INCREASE THE PURCHASE OF UNLEADED GASOLINE AND DIESEL FUEL FROM AN AMOUNT NOT TO EXCEED FIVE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$575,000) TO AN AMOUNT NOT TO EXCEED NINE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$975,000), DURING FISCAL YEAR 2021/2022; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS TO EFFECTUATE THE PROJECT AS NEEDED; AND PROVIDING FOR AN EFFECTIVE DATE.**

**STAFF SUMMARY:**

**Summary:**

The purpose of this agenda item is to request authorization from the City Commission to increase the not-to-exceed amount allotted through Resolution 2021-130 for purchasing diesel fuel and unleaded gasoline from Port Consolidated, Inc. utilizing the Southeast Florida Governmental Purchasing Cooperative Group, RFP # E-03-22 from \$575,000 to \$975,000 for Fiscal Year 2021/2022; and to ratify the expenses incurred to date in excess of the allocated not-to-exceed amount of \$575,00.

**Background:**

At the October 6, 2022, City Commission meeting, Resolution No. 2021-130 (Exhibit 2) was adopted authorizing the city to spend a not to exceed amount of \$575,000 to purchase fuel utilizing the Southeast Florida Governmental Purchasing Cooperative Group, RFP # E-13-17.

The City of Pompano Beach, acting as the lead agency for the approximately 39 other agencies participating in this Co-Op Contract, released RFP # E-13-17 Unleaded Gasoline and Diesel Fuel for the Southeast Florida Governmental Purchasing Cooperative Group, on December 20, 2016. The RFP closed on January 20, 2017. The evaluation committee shortlisted Mansfield Oil, MacMillan Oil and Port Consolidated, Inc. for oral presentations. 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, Dade, and Palm Beach Counties. The city participates in the Co-Op to take advantage of cost savings that a city of its size would otherwise be unable to realize.

Pompano Beach approved the Ordinance awarding RFP # E-13-17 to Port Consolidated, Inc. on 1st Reading (February 28, 2017) and on 2nd 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 2). This contract expired on March 14, 2022.

On February 22, 2022, the City of Pompano awarded RFP 03-22 - Unleaded Gasoline & Diesel Fuel to Port Consolidated. This agreement is for a 5-year term which expires March 14, 2027 (Exhibit 3).

### **Current Situation:**

In anticipation of the rise in fuel price, staff's expenditure request made on October 6, 2021, was 30.5 % more than the fuel request for the previous fiscal year. Although staff increased the FY 2021-2022 expenditure request, the unprecedented increase in fuel price is causing staff to come back to the City Commission to request another increase to the not-to-exceed amount approved in Resolution No. 2021-130.

The cost of fuel, based on the latest delivery of July 14, 2022, is \$3.50 and \$4.38 per gallon respectively for unleaded and diesel, compared to \$2.78 and \$2.74 per gallon on July 22, 2021. As of July 14, 2022, the city has spent approximately \$705,000 on unleaded and diesel. The city has already spent over the not-to-exceed amount of \$575,000 originally approved by the City Commission. Staff is estimating the total expenditure for FY 2021-2022 to be approximately \$975,000. This projection is based on the average monthly expenditures for the months of March through June of approximately \$90,000. Based on this figure, the projected expenditure for the remaining three (3) months (July through Sept) is approximately \$270,000.

Each department is reviewing their operating accounts and will process the appropriate budget transfers to cover the additional expense resulting from the increase in fuel price.

### **Why Action is Necessary:**

Pursuant to Chapter 23, Section 23-10 of the City Code of Ordinances, Appropriations required, (a) no obligation for expenditures of City funds may be incurred except pursuant to, and only to the extent of, a specific appropriation of funds in the budget. This provision shall apply, without being limited to, any formal or informal contractual obligation for the purchase of lease supplies, services or equipment, and personal services. No money may be drawn from the treasury of the City nor may the appropriate city officials execute any check, draft, warrant, note or other negotiable instrument, except pursuant to, and only to the extent of, a specific appropriation of funds in the budget to be debited for such payment; (c) The city manager, in a matter of public necessity, may incur obligations or expend funds, not in excess of \$50,000.00 without complying with this article or the requirements for public bidding, provided that he/she places the ratification of these expenditures on the first regularly scheduled commission meeting occurring after the incursion or expenditure. In an emergency involving urgent, and extreme matters of public health, safety or welfare, the city manager may exceed this monetary limitation, provided that, on the same business day that he/she takes such action, the city manager shall request that a special commission meeting be held at the earliest possible time, to ratify that action.

**Cost Benefit:**

The City of Hallandale Beach customarily utilizes cooperative purchasing contracts to realize cost savings and cost avoidances that would otherwise be impossible for a city of our size to achieve. As such, the city has decided to purchase fuel, utilizing authorized vendors from the Southeast Florida Governmental Purchasing Cooperative Group for Fiscal Year 2021/2022.

**PROPOSED ACTION:**

The purpose of this agenda item is to request authorization from the City Commission to increase the not-to-exceed amount allotted through Resolution 2021-130 for purchasing diesel fuel and unleaded gasoline from Port Consolidated, Inc. utilizing the Southeast Florida Governmental Purchasing Cooperative Group, RFP # E-03-22 from \$575,000 to \$975,000 for Fiscal Year 2021/2022, and to ratify the expenses incurred to date in excess of the allocated not-to-exceed amount of \$575,00.

**ATTACHMENT(S):**

Exhibit 1 – Proposed Resolution  
Exhibit 2 – Resolution No. 2021-130  
Exhibit 3 – RFP E-03-22 Initial Contract (Term 3-15-2022 3-14-2027)

Prepared By: Yamil Lobo  
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