



Hallandale Beach
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400 South Federal Hwy
Hallandale Beach, FL 33009

City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	October 5, 2016		Item Type: <small>(Enter X in box)</small>	Resolution x	Ordinance	Other
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>	1st Reading		2nd Reading
	x			Public Hearing: <small>(Enter X in box)</small>		Yes
Funding Source:	001-141300 INVENTORY OF SUPPLIES/Unleaded Fuel		Advertising Requirement: <small>(Enter X in box)</small>	Yes		No
	001-141400 INVENTORY OF SUPPLIES/Diesel					X
Account Balance:	Citywide 16-17 Budget for: Diesel Fuel: \$199,511 (Obj. 552140) Unleaded Fuel: \$347,333 (Obj. 552150) \$546,844		Quasi Judicial: <small>(Enter X in box)</small>	Yes		No
Project Number :			RFP/RFQ/Bid Number:	Southeast Florida Governmental Purchasing Cooperative Group, RFP #14-A-035		
Contract/P.O. Required: <small>(Enter X in box)</small>	Yes	No	Strategic Plan Priority Area: <small>(Enter X in box)</small>			
	X					
			Safety <input type="checkbox"/>			
			Quality <input checked="" type="checkbox"/>			
			Vibrant Appeal <input type="checkbox"/>			
Sponsor Name:	Daniel Rosemond, City Manager		Department: Public Works	Steven F. Parkinson, P.E., PWLF, Director		

Short Title:

A RESOLUTION OF THE MAYOR AND THE CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE UTILIZATION OF THE SOUTHEAST FLORIDA GOVERNMENTAL PURCHASING COOPERATIVE GROUP RFP #14-A-035 WITH MACMILLAN OIL COMPANY OF FLORIDA, INC. TO PURCHASE DIESEL FUEL AND UNLEADED GASOLINE FOR AN AMOUNT NOT TO EXCEED THE BUDGETED AMOUNT AS PROVIDED FOR IN FISCAL YEAR 2016-2017 BUDGET; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS TO EFFECTUATE THE PURCHASE; AND PROVIDING 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, 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 City of Coral Springs, acting as the lead agency for the 31 other agencies participating in this Co-Op procurement, awarded RFP #14-A-035 to MacMillan Oil Co. of Florida, Inc. on May 21, 2014 for the purchase of diesel fuel and unleaded gasoline. The term of the contract is from July 1, 2014 through March 31, 2017 and includes the option to renew the contract with two additional two year terms. MacMillan Oil Co. of Florida, Inc.'s proposal was chosen over 4 other competing proposals because of their experience in providing fuel to government entities, their current supply agreements with several major oil companies, their ownership of a bulk plant facility that has the capacity to store backup fuel in the event of a Port shutdown, their ownership of supply and rental tanks and their competitive pricing (Exhibit 2).

The City of Hallandale Beach adopted the contract on June 19, 2014. Resolution No. 2015-114 authorized the City Manager to utilize the Co-Op RFP #14-A-035 with MacMillan Oil Company of Florida, Inc. to purchase diesel fuel and unleaded gasoline for an amount not to exceed the fuel purchases' budgeted amount for FY15-16 and to execute all related documents to effectuate the purchase (Exhibit 3).

Current Situation and Fiscal Impact:

This upcoming fiscal year the Department plans to utilize the Southeast Florida Governmental Purchasing Cooperative Group, RFP #14-A-035 awarded to MacMillan, to purchase fuel in an amount exceeding \$50,000. Accordingly, staff is bringing forth this agenda item for City Commission consideration.

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.

MacMillan has demonstrated capabilities to appropriately administrate a contract with thirty-two (32) different agencies, deliver fuel quickly, safely and responsibly, and provide fast and accurate electronic billing.

Below is the breakdown of expenditures for the 14-15, 15-16 (to date) and projected 16-17 fiscal years:

FY 16-17 (Budgeted): \$546,844

FY 15-16 (As of 9-6-16): \$334,319

FY 14-15: \$478,481

It is important to note that the FY15-16 expenditure to date is far less than previous year expenditures. This is largely due to the fact that fuel prices decreased this past fiscal year. Fuel prices are volatile and staff believes that it is best to budget for fuel based upon the pricing trends of the past few years, rather than based upon a short-term price fluctuation. Therefore, funds budgeted for FY16-17 provide for a higher level of funding than was actually utilized in FY15-16 to guard against potential fuel price increases in the upcoming fiscal year.

Why Action is Necessary:

Pursuant to Chapter 23, Section 23-8 (6), Exception to Bid Requirements, and Section 23-9 Cooperative Purchasing, the City Manager is authorized to procure supplies, materials, equipment and services from other governmental units, when the best interests of the City would be served subject to the requirement that any purchase in excess of \$50,000 requires City Commission approval.

As the aforementioned purchase will be in excess of the City Manager's purchasing authority, City Commission authorization is required.

Proposed Action:

Staff recommends approval of the attached Resolution authorizing the City Manager to purchase diesel fuel and unleaded gasoline from MacMillan Oil Company of Florida, Inc., in an amount not-to-exceed the budgeted amount for fuel purchases during fiscal year 2016-2017, through the Southeast Florida Governmental Purchasing Cooperative Group, RFP #14-A-035.

Attachment(s):

Exhibit 1 – Resolution

Exhibit 2 – Co-Op Letter of Award to MacMillan

Exhibit 3 – Resolution No. 2015-114