

ACTION FORM BRYAN CITY COUNCIL

| DATE OF COUNCIL MEETING: October 14, 2014 | | DATE SUBMITTED: September 26, 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---------|--|--------|--|----------|--|--|---------|---------|---------|---------|-------------------------|--------------|---------|--------------|---------|-------------------------|--------------|---------|--------------|---------|-------------------------|--------------|---------|--------------|---------|-------------------------|----------------|---------|--------------|---------|-------------------------|--------------|---------|--------------|---------|
| DEPARTMENT OF ORIGIN: Water Services | | SUBMITTED BY: J. Barfknecht | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MEETING TYPE: | CLASSIFICATION: | ORDINANCE: | STRATEGIC INITIATIVE: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> BCD | <input type="checkbox"/> PUBLIC HEARING | <input type="checkbox"/> 1ST READING | <input checked="" type="checkbox"/> PUBLIC SAFETY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> SPECIAL | <input checked="" type="checkbox"/> CONSENT | <input type="checkbox"/> 2ND READING | <input checked="" type="checkbox"/> SERVICE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input checked="" type="checkbox"/> REGULAR | <input type="checkbox"/> STATUTORY | | <input checked="" type="checkbox"/> ECONOMIC DEVELOP. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> WORKSHOP | <input type="checkbox"/> REGULAR | | <input checked="" type="checkbox"/> INFRASTRUCTURE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <input type="checkbox"/> QUALITY OF LIFE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AGENDA ITEM DESCRIPTION: Consider approving a price agreement with Brenco Marketing Corporation for diesel and unleaded fuel to be used in all City of Bryan and BTU vehicles based upon Brenco Marketing's response to Request for Bid (Invitation to Bid #14-0031) issued jointly with and hosted by Texas A&M University. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SUMMARY STATEMENT: In August 2014, Texas A&M University hosted a cooperate bid together with the City of Bryan, City of College Station, Brazos County, Bryan ISD, College Station ISD, and BVSWMA for diesel and unleaded fuel. Six (6) bids were received with the best value submitted by Brenco Marketing Corporation of Bryan, Texas. A total of five (5) twelve month periods (initial twelve month period and four (4) twelve month extensions) is allotted in the price agreement. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The City purchased fuel from Brenco under its previous price agreement (Invention to Bid# 09-0026). Fuel purchases made under this agreement are listed below. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">Diesel</th> <th colspan="2" style="text-align: center;">Unleaded</th> </tr> <tr> <th></th> <th style="text-align: center;">Expense</th> <th style="text-align: center;">Gallons</th> <th style="text-align: center;">Expense</th> <th style="text-align: center;">Gallons</th> </tr> </thead> <tbody> <tr> <td>9/1/09 – 8/31/10</td> <td style="text-align: right;">\$590,283.95</td> <td style="text-align: right;">252,785</td> <td style="text-align: right;">\$555,388.83</td> <td style="text-align: right;">243,831</td> </tr> <tr> <td>9/1/10 – 8/31/11</td> <td style="text-align: right;">\$809,782.38</td> <td style="text-align: right;">262,605</td> <td style="text-align: right;">\$744,304.57</td> <td style="text-align: right;">260,220</td> </tr> <tr> <td>9/1/11 – 8/31/12</td> <td style="text-align: right;">\$937,872.57</td> <td style="text-align: right;">282,622</td> <td style="text-align: right;">\$769,628.49</td> <td style="text-align: right;">251,473</td> </tr> <tr> <td>9/1/12 – 8/31/13</td> <td style="text-align: right;">\$1,008,516.66</td> <td style="text-align: right;">284,621</td> <td style="text-align: right;">\$789,126.99</td> <td style="text-align: right;">259,640</td> </tr> <tr> <td>9/1/13 – 8/31/14</td> <td style="text-align: right;">\$890,106.63</td> <td style="text-align: right;">276,929</td> <td style="text-align: right;">\$698,956.62</td> <td style="text-align: right;">240,030</td> </tr> </tbody> </table> | | | | | | Diesel | | Unleaded | | | Expense | Gallons | Expense | Gallons | 9/1/09 – 8/31/10 | \$590,283.95 | 252,785 | \$555,388.83 | 243,831 | 9/1/10 – 8/31/11 | \$809,782.38 | 262,605 | \$744,304.57 | 260,220 | 9/1/11 – 8/31/12 | \$937,872.57 | 282,622 | \$769,628.49 | 251,473 | 9/1/12 – 8/31/13 | \$1,008,516.66 | 284,621 | \$789,126.99 | 259,640 | 9/1/13 – 8/31/14 | \$890,106.63 | 276,929 | \$698,956.62 | 240,030 |
| | Diesel | | Unleaded | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Expense | Gallons | Expense | Gallons | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9/1/09 – 8/31/10 | \$590,283.95 | 252,785 | \$555,388.83 | 243,831 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 9/1/11 – 8/31/12 | \$937,872.57 | 282,622 | \$769,628.49 | 251,473 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| The table below highlights changes to Brenco's profit per gallon as listed in the previous price agreement (Invention to Bid #09-0026) and proposed (Invitation to Bid #14-0031): | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Bid No. 09-0026 (Previous) | Bid No. 14-0031 (Proposed) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unleaded, 87 Octane | 7,000 gallons or greater / \$0.0210 | 7,000 gallons or greater / \$0.0230 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 250 gallons or greater / \$0.050 | 500 gallons or greater / \$0.090 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diesel, Low Sulfur | 6,500 gallons or greater / \$0.0240 | 6,500 gallons or greater / \$0.0265 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 250 gallons or greater / \$0.050 | No Bid | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Services provided under this price agreement satisfy fuel needs for the City and BTU. Oil Price Information Service (OPIS) is the most widely accepted fuel pricing index for supply contracts and competitive pricing. The OPIS index provides the baseline fuel price per gallon at the time product is loaded into the transport truck from the fuel rack. The total cost per gallon is determined by adding the bid price for profit and delivery to the base price per gallon as reported by OPIS on the date the fuel is delivered.

Example

Gasoline, Unleaded, 87 Octane, Full Truck Volume (7,000 gallons)

OPIS (price \$/gallon as of 10/09/13) = 2.5365 (this figure will fluctuate daily)

Brenco Profit (\$/gallon) = 0.0230 (this figure remains constant)

Total Unit Price = 2.5595 (this figure will fluctuate daily)

STAFF ANALYSIS AND RECOMMENDATION: Water Services respectfully request the City Council approve the proposed price agreement with Brenco Marking, Corp. for delivered fuel. Brenco Marking is a local vendor and offers the advantage of proximity for deliveries and a past history of good performance not only with the City of Bryan, but with all participating entities. This price agreement offers the best value to the City of Bryan for delivered fuel.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the price agreement with Brenco Marketing Corporation
2. Do not approve the price agreement and provide additional guidance to staff.

ATTACHMENTS: (single pdf)

1. Bid Tab No. 14-0031
2. Texas A&M University Master Order #C5535698

FUNDING SOURCE: Warehouse Fund

APPROVALS: Jayson E. Barfknecht 09/29/14; Hugh R. Walker, 10/01/2014

APPROVED FOR SUBMITTAL: CITY MANAGER

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton 09/30/2014