

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: October 13, 2015	DATE SUBMITTED: September 15, 2015
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, Corp. 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: Water Services respectfully requests City Council consideration for execution of the 1st contract extension for purchase of unleaded gasoline and diesel fuel from Brenco Marketing (Invitation to Bid #14-0031).

In August 2014, Texas A&M University hosted a cooperative 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, Corp. 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.

Historical fuel purchases for the preceding six years are listed below:

	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
9/1/14 – 8/31/15	\$605,669.71	272,668	\$519,072.47	248,372

The table below highlights Brenco's profit per gallon. The City usually orders 8,000 gallons or more at a time. No change in profit was requested by Brenco:

	Bid No. 14-0031
Unleaded, 87 Octane	7,000 gallons or greater / \$0.0230
	500 to 6,999 gallons / \$0.090
Diesel, Low Sulfur	6,500 gallons or greater / \$0.0265
	500 to 6,499 gallons / \$0.090

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 9/10/2015) = 1.4006 (this figure will fluctuate daily)

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

Total Unit Price = 1.4236 (this figure will fluctuate daily)

STAFF ANALYSIS AND RECOMMENDATION: Water Services respectfully requests the City Council approve the proposed price agreement extension (the first of four possible extensions) with Brenco Marketing, Corp. for delivered fuel. Brenco Marketing 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.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the price agreement with Brenco Marketing, Corp.
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 (as budgeted)

APPROVALS: Jayson E. Barfknecht 09/15/15; Hugh R. Walker, 09/28/2015

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 10/01/2015

APPROVED FOR SUBMITTAL: CITY ATTORNEY