

**Meeting Date** (?) 10/11/2016

**Subject Matter**\* (?) Purchase or diesel and unleaded fuel  
This must match rolling agenda entry

**Department of Origin**\* WATER SERVICES

**Submitted By**\* Mark Jurica

**Type of Meeting**\*  BCD  Special  Regular

**Classification**\*  Public Hearing  Consent  Statutory  Regular

**Ordinance**\*  None  First Read  Second Read  First & Only Read

**Strategic Initiative**\*  Public Safety  Service  
 Economic Development  Infrastructure  
 Quality of Life

**Agenda Item Description**\* Consider approving an extension of 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 2nd contract extension for purchase of unleaded gasoline and diesel fuel from Brenco Marketing (Invitation to Bid #14-0031).

On 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 BVSWMMA 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 three (3) years are listed below.

Diesel Unleaded	
Expense Gallons	Expense Gallons
10/28/13 – 10/27/14	\$839,046.52 268,301 \$699,712.83 236,629
10/28/14 – 10/27/15	\$568,645.07 275,379 \$483,981.02 249,569
10/28/15 – 10/27/16	\$383,449.28 247,801 \$368,946.57 238,097

The information 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 9/12/2016) = 1.388 (this figure will fluctuate daily)  
Brenco Profit (\$/gallon) = 0.0230 (this figure remains constant)  
Total Unit Price = 1.411 (this figure will fluctuate daily)

**Staff Analysis & Recommendation**\* Water Services respectfully requests the City Council approve the proposed price agreement extension (the second 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 an extension of the price agreement with Brenco Marketing, Corp.

2. Do not approve the price agreement and provide guidance to staff

**Funding Source\***

Warehouse Fund (as budgeted)

**Attachments**

Extension Letter and Master Order.pdf

4.74MB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. City of Bryan extension letter
2. Texas A&M extension letter
3. Original bid tab

**Dept. Head Signature**

JAYSON E. BARFNECHT 07/21/16

**Deputy City Manager  
Signature**

Hugh R. Walker

**City Manager Signature**



**City Attorney Signature**

Janis K. Hampton