

AGENDA



Thursday, March 27, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 35**

Subject: Authorize award and execution of a 36-month requirements service contract with EXCELL FUELING SYSTEMS, Austin, TX for a maintenance and repair program for fuel tanks and for a one time cleaning to accept ethanol and biodiesel in an estimated amount not to exceed \$496,816, with three 12-month extension options in estimated amounts not to exceed \$120,023 for the first extension option, \$125,738 for the second extension option, and \$131,453 for the third extension option, for a total estimated contract amount not to exceed \$874,030.

Amount and Source of Funding: Funding in the amount of \$201,660 is available in the Fiscal Year 2007-2008 Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining 30 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Rosemary Ledesma, Supervising Sr. Buyer/974-2011.

Purchasing Language: Sole bid received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

An Invitation for Bid-Best Value solicitation was issued on January 21, 2008 seeking bids from qualified companies for a full maintenance and repair service program for all city-owned fuel tanks including above ground fuel island systems, underground fuel storage tanks, and their related components. There are 73 fuel tanks with fuel systems consisting of either gasoline, diesel, propane, or alternative fuel. The services for the fuel tanks will include annual testing and compliance, monthly operational inspections, and service and repairs as needed.

In addition, the contractor will be providing a one-time cleaning of 41 fuel tanks, and installing conversions to the fuel tanks for acceptance of ethanol or bio-diesel fuels. Fleet Services anticipates that the Contractor will begin the one-time cleaning of the tanks within seven business days of award. Upon completion of the first site, the alternative fuel can be delivered and departments will be able to fuel at that site. We anticipate that all sites will be converted within two months of the award. Fleet will schedule conversions to minimize the impact on city services. Fleet Services is committed to the Austin Climate Protection Plan, and upon completion of the cleaning and conversion of the tanks, approximately 51% of the fleet will be able to operate on alternative fuel or hybrid technology. This contract is essential in taking the next step toward our goal.

This contract will provide a service program that includes monthly inspections at a fixed cost of \$85 per tank and annual compliance testing for \$225 per tank. Service and parts are estimated at \$80,000 annually for this program. The first year of the service program is estimated at \$143,970, plus a one time additional cost of \$129,675 for E85 & B20 conversions and for cleaning of the fuel tanks. The E85 conversions will vary in cost depending on tank size, tank material, existing dispensing equipment and

pipng material. The total estimated expenditure for the first year of the program is estimated at \$273,645.

Representatives from the Fleet Services division evaluated the bid for responsiveness and value. Fleet Services recommends award to Excell Fueling Systems for a maintenance and repair service program of fuel tanks based on the experience of the firm and personnel proposed, facility and equipment inspections, and reasonable cost proposed. Excell Fueling Systems has been providing similar services to other governmental and commercial entities since 1993. MBE/WBE solicited: 2/1

MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Sole bid. The two other known potential bidders were contacted and stated that they are currently unable to provide all of these services.
- b. Forty-two notices were sent, including two MBEs and one WBE. One bid was received, with no response from the MBEs/WBEs.
- c. This is the first purchase of its type; therefore, there is no pricing history available. However, references were contacted for Excell Fueling Systems, and they provided positive responses indicating that they have been satisfied with the services provided.

APPROVAL JUSTIFICATION

- a. Sole bid received.
- b. The Purchasing Office concurs with the Fleet Services Divison's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.