

AGENDA ITEM 1 E
Consent Item

MEMORANDUM

DATE: May 4, 2023

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Resolution No. 23-14 to Establish Fuel as Exempt from Competitive Bidding and Fuel Purchase Orders for Fiscal Year 2023/24

REQUESTED ACTION:
BY MOTION,

1. **Adopt Resolution No. 23-14 Identifying Fuel as Exempt from Competitive Bidding and Authorize the Executive Director to Procure Fuel from Outside Vendors**
2. **Approve Blanket Purchase Order No. B29006 issued to Dawson Oil Company in an amount not to exceed \$600,000 for fiscal year 2023/24**
3. **Approve Blanket Purchase Order No. B29013 issued to Hunt & Sons, Inc. in an amount not to exceed \$80,000 for fiscal year 2023/24**

BACKGROUND

The El Dorado County Transit Authority (El Dorado Transit) purchasing procedures allow an exemption to competitive bidding per the following section of the approved El Dorado Transit Procurement Policies and Procedures Manual:

“Chapter 3; Section 14 Sole Sources Procurements:

b) Sole source procurement may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

5. *The unique nature of the property or service required precludes competitive bidding.”*

El Dorado Transit Purchasing Procedures and the Joint Exercise of Powers Agreement establishing El Dorado Transit require Board approval for Purchase Orders over \$25,000 and Purchase Requisitions over \$5,000.

El Dorado Transit operates a fleet of sixty-one (61) vehicles and the fleet consumes an average of 1,577 gallons of unleaded gasoline and 10,120 gallons of green low sulfur diesel fuel per month under normal operating conditions.

DISCUSSION

El Dorado Transit purchases green low sulfur diesel and unleaded gasoline from two (2) local commercial cardlock fuel vendors daily due to the proximity of the facilities and the availability of differing types of fuel. Transit Operators and maintenance personnel fuel vehicles during the hours of 5:00 AM to 8:00 PM Monday through Friday and from 8:00 AM and 5:00 PM each weekend. Additional fueling is necessary during special shuttle services such as the Fair Shuttle.

Fuel prices at commercial/retail fuel vendors typically fluctuate daily based on the market. As a result, vendors are precluded from providing El Dorado Transit a set contract price for fuel at the pump the way they might if they were delivering fuel to a facility on a regular basis. This daily price fluctuation does not lend itself to formal competitive bidding procedures; therefore, the El Dorado Transit Board has allowed an exemption from competitive bidding on fuel since 2000.

Due to the operational need for daily fuel purchasing at commercial card lock vendors and the nature of daily fuel price fluctuations, it is recommended that fuel procurement be identified as exempt from competitive bidding. With approval, purchase orders will be issued to the two (2) local cardlock vendors that have provided price quotes using a set amount per gallon above their cost. The Executive Director certifies that these purchases are included within the preliminary approved operating budget for Fiscal Year 2023/24.

FISCAL IMPACT

Purchase Order B29006 – Dawson Oil Company

5040.01	Fuel Purchase	\$600,000
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Purchase Order B29013 – Hunt & Sons Inc.

5040.01	Fuel Purchase	\$ 80,000
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Purchase Order amounts are below budget line-item amounts as presented on the Preliminary Operating Budget FY 2023/24 adopted on April 6, 2023. The total budget for fuel is \$750,000. The blanket purchase order amounts allow for flexibility between vendors however, the total budget will not be exceeded without further Board action.

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 23-14**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL DORADO COUNTY
TRANSIT AUTHORITY IDENTIFYING FUEL AS EXEMPT FROM COMPETITIVE
BIDDING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO PROCURE FUEL

WHEREAS, the El Dorado County Transit Authority (El Dorado Transit) purchases ultra-low sulfur diesel and unleaded gasoline for fleet vehicles daily; and

WHEREAS, El Dorado Transit currently purchases fuel from two (2) commercial cardlock vendors; and

WHEREAS, the purchase of fuel from two (2) local vendors is practical due to the proximity of fuel facilities and the availability of differing types of fuel; and

WHEREAS, cardlock type, retail fuel vendor pricing fluctuates daily which does not lend itself to competitive bidding procedures; and

WHEREAS, El Dorado Transit has received structured price quotes from all vendors; and

WHEREAS, approved El Dorado Transit Procurement Policies and Procedures Manual: Chapter 3; Section 14(b)(5) allows for exemption from competitive bidding by resolution when the unique nature of the property does not lend itself to bidding; and

NOW THEREFORE, BE IT RESOLVED; that:

1. The purchase of fuel is considered unique in nature due to the daily fluctuation in price and is hereby declared exempt from competitive bidding.
2. The Executive Director is authorized to purchase fuel from outside vendors.

PASSED AND ADOPTED, this 4th day of May 2023.

AYES:

NOES:

ABSTAIN:

ABSENT:

Jackie Neau, Chairperson

ATTEST:

Megan Wilcher, Secretary to the Board

EL DORADO COUNTY TRANSIT AUTHORITY
6565 COMMERCE WAY
DIAMOND SPRINGS, CA 95619-9454
(530) 642-5383

PURCHASE ORDER NO. B29006

THIS NUMBER MUST APPEAR ON ALL INVOICES,
 PACKING LISTS, PACKAGES, AND BILLS OF LADING.

DATE: 07/01/23

ACCOUNT: 5040.01 CLASS: 110
 ACCOUNT: 5040.80 CLASS: 100
 ACCOUNT: VARIOUS CLASS: VARIOUS

TO: DAWSON OIL COMPANY
 PO BOX 360
 ROCKLIN, CA 95677

SHIP & INVOICE TO:
EL DORADO COUNTY TRANSIT AUTHORITY
6565 COMMERCE WAY
DIAMOND SPRINGS, CA 95619-9454

Contact: Ashley

Vendor Phone No: (530) 642-2681

Fax No:

PROMISED DELIVERY DATE		TERMS: NET 10th OF THE MONTH		
		F.O.B. DESTINATION		
QTY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED TOTAL
		FUEL PURCHASES AND DIESEL EXHAUST FLUID AND ADDITIVES FOR TRANSIT FLEET VEHICLES FOR FISCAL YEAR 07/01/2023 THROUGH 06/30/2024		NOT TO EXCEED \$600,000.00
I hereby certify that this purchase order is in accordance with procedures in the purchase manual governing of such items for El Dorado County Transit Authority.			SUBTOTAL	\$600,000.00
			SHIPPING	
			SALES TAX	
			TOTAL	NTE \$600,000.00
PURCHASING AGENT				

PLEASE NOTE CONDITIONS ON REVERSE SIDE

"This Purchase Order expressly limits acceptance to the terms and conditions stated herein, set forth on the reverse side and any supplementary or additional terms and conditions annexed hereto or incorporated herein by reference. Any additional or different terms and conditions proposed by seller are objected to and hereby rejected."

EL DORADO COUNTY TRANSIT AUTHORITY
6565 COMMERCE WAY
DIAMOND SPRINGS, CA 95619-9454
(530) 642-5383

PURCHASE ORDER NO. B29013

THIS NUMBER MUST APPEAR ON ALL INVOICES,
 PACKING LISTS, PACKAGES, AND BILLS OF LADING.

DATE: 07/01/23

ACCOUNT: 5040.01 CLASS: 110
 ACCOUNT: 5040.80 CLASS: 100
 ACCOUNT: VARIOUS CLASS: VARIOUS

SHIP & INVOICE TO:

EL DORADO COUNTY TRANSIT AUTHORITY
6565 COMMERCE WAY
DIAMOND SPRINGS, CA 95619-9454

TO: HUNT & SONS INC
 PO BOX 101630
 PASADENA, CA 91189-1630

Contact:

Vendor Phone No: (530) 642-2681

Fax No:

PROMISED DELIVERY DATE		TERMS: NET 10		
		F.O.B. DESTINATION		
QTY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED TOTAL
		FUEL PURCHASES AND BULK OIL AND ADDITIVES FOR TRANSIT FLEET VEHICLES FOR FISCAL YEAR 07/01/23 THROUGH 06/30/24		NOT TO EXCEED \$80,000.00
I hereby certify that this purchase order is in accordance with procedures in the purchase manual governing of such items for El Dorado County Transit Authority.			SUBTOTAL	\$80,000.00
			SHIPPING	
			SALES TAX	
			TOTAL	NTE \$80,000.00
PURCHASING AGENT				

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