

AGENDA ITEM 1 I  
Consent Item

**MEMORANDUM**

**DATE:** June 7, 2018

**TO:** El Dorado County Transit Authority

**FROM:** Julie Petersen, Finance Manager

**SUBJECT:** Resolution No. 18-22 to establish fuel as exempt from competitive bidding and approve Blanket Purchase Orders for said fuel, for fiscal year 2018/19

**REQUESTED ACTION:**  
**BY MOTION,**

1. **Adopt Resolution No. 18-22 Identifying Fuel as Exempt from Competitive Bidding and Authorize the Executive Director to Procure Fuel from Outside Vendors.**
2. **Approve Blanket Purchase Order No. B24008 issued to Dawson Oil Company in the amount of \$650,000 and Blanket Purchase Order No. B24013 issued to Hunt & Sons, Inc. in the amount of \$90,000 for fiscal year 2018/19.**

**BACKGROUND**

The El Dorado County Transit Authority (El Dorado Transit) purchasing procedures allow an exemption to competitive bidding per the following 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.”*

**DISCUSSION**

El Dorado Transit operates a fleet of seventy (70) vehicles and purchases green low sulfur diesel and unleaded gasoline from two (2) commercial cardlock fuel vendors.

The El Dorado Transit fleet currently consumes approximately 6,780 gallons of unleaded gasoline and 11,205 gallons of green low sulfur diesel per month. Transit Operators and

maintenance personnel fuel vehicles during the hours of 5:00 AM and 8:00 PM Monday through Friday and 8:00 AM and 5:00 PM each weekend. Additional fueling is necessary during special shuttle services such as the Fair Shuttle

All vendors provide a pricing structure to El Dorado Transit for a set amount above their cost. This is typical of commercial/retail fuel vendors. Daily prices are based on the market but do not allow the vendors to provide a set price as if they were delivering to an El Dorado Transit fuel tank on a specific day. El Dorado Transit buys fuel daily and this daily price fluctuation does not conform to the approved El Dorado Transit Purchasing Procedures therefore; the El Dorado Transit board has allowed an exemption from competitive bidding on fuel since 2000.

Due to the unique nature of retail fuel delivery it is recommended that fuel procurement be identified as exempt from competitive bidding. Card lock retail fuel delivery does not lend itself well to competitive bidding because the pricing fluctuates daily according to market rates.

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.

The Executive Director certifies that these purchases are included within the preliminary approved operating budget for Fiscal Year 2018/19.

### **FISCAL IMPACT**

Purchase Order amounts are within budget line item amounts as presented on the Preliminary Operating Budget FY 2018/19 adopted on March 1, 2018.

No budget adjustments to this line item have been made in the Final Operating Budget for FY 2018/19 as presented in this agenda packet.

**EL DORADO COUNTY TRANSIT AUTHORITY  
RESOLUTION NO. 18-22**

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

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

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

**WHEREAS**, the El Dorado Transit purchase of all fuel from one vendor is not practical due to the proximity of fuel facilities and the availability of differing types of fuel; and

**WHEREAS**, cardlock type retail fuel vendor pricing fluctuate daily which does not lend itself to the El Dorado Transit purchasing 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 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 7th day of June 2018.

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Shiva Frentzen, 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. B24008**

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

**DATE: 07/01/18**

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: Bryon

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 07/01/18 THROUGH 06/30/19		NOT TO EXCEED: \$650,000.00
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	\$650,000.00
			SHIPPING	
			SALES TAX	
			<b>TOTAL</b>	NTE: \$650,000.00
<b>PURCHASING AGENT</b>				

**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. B24013**

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

**DATE: 07/01/18**

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  
 P.O. BOX 277670  
 SACRAMENTO, CA 95827-7670

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 07/01/18 THROUGH 06/30/19		NOT TO EXCEED: \$90,000.00

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.  <b>PURCHASING AGENT</b>	SUBTOTAL	\$90,000.00
	SHIPPING	
	SALES TAX	
	<b>TOTAL</b>	<b>NTE: \$90,000.00</b>

**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."