

AGENDA ITEM 1 G  
Consent Item

**MEMORANDUM**

**DATE:** May 6, 2021  
**TO:** El Dorado County Transit Authority  
**FROM:** Julie Petersen, Finance Manager  
**SUBJECT:** Resolution No. 21-09 to Establish Fuel as Exempt from Competitive Bidding and Fuel Purchase Orders for Fiscal Year 2021/22

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

1. **Adopt Resolution No. 21-09 Identifying Fuel as Exempt from Competitive Bidding and Authorize the Executive Director to Procure Fuel from Outside Vendors.**
2. **Approve Blanket Purchase Order No. B27008 issued to Dawson Oil Company in the amount of \$300,000 for fiscal year 2021/22.**
3. **Approve Blanket Purchase Order No. B27013 issued to Hunt & Sons, Inc. in the amount of \$70,000 for fiscal year 2021/22.**

**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-four (64) vehicles and the fleet consumes an average of 5,938 gallons of unleaded gasoline and 11,207 gallons of green low sulfur diesel fuel per month under normal, pre-pandemic operating conditions.

## **DISCUSSION**

El Dorado Transit purchases green low sulfur diesel and unleaded gasoline from two (2) local commercial cardlock fuel vendors on a daily basis 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 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 2021/22.

## **FISCAL IMPACT**

### *Purchase Order B27008 – Dawson Oil Company*

5040.01	Fuel Purchase	\$300,000
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### *Purchase Order B27013 – Hunt & Sons Inc.*

5040.01	Fuel Purchase	\$ 70,000
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Purchase Order amounts are above budget line-item amounts as presented on the Preliminary Operating Budget FY 2021/22 adopted on April 1, 2021; the total budget for fuel is \$345,000. The blanket purchase order amounts allow for flexibility between vendors however, the budget will not be exceeded prior to Board action if needed.

**EL DORADO COUNTY TRANSIT AUTHORITY  
RESOLUTION NO. 21-09**

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 6th day of May 2021.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Kara Taylor, Chairperson

ATTEST:

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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. B27008**

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

**DATE: 07/01/21**

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 07/01/2021 THROUGH 06/30/2022		NOT TO EXCEED: \$300,000.00
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	\$300,000.00
			SHIPPING	
			SALES TAX	
			<b>TOTAL</b>	NTE: \$300,000.00
<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. B27013**

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

**DATE: 07/01/21**

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 07/01/21 THROUGH 06/30/22		NOT TO EXCEED: \$70,000.00
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	\$70,000.00
			SHIPPING	
			SALES TAX	
			<b>TOTAL</b>	NTE: \$70,000.00
<b>PURCHASING AGENT</b>				

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Circle Distributing: Vendor - Accounting - Requestor - Purchasing