



Board of Directors Regular Meeting

Meeting Date: 8/16/2018

Agenda Item No.: 2018-August-3.

SACOG Board of Directors

Subject: Approve Final One-Year Extension of the Joint Fuel & Lubricants Contract with Hunt & Sons, Inc. (Est. time: 0 minutes)

Consent

Prepared by: Erik Johnson

Approved by: James Corless

Attachments: No

1. Issue:

Should the board authorize the Chief Executive Officer to execute a final one-year extension option for the Joint Fuel & Lubricants contract with Hunt & Sons, Inc.?

2. Recommendation:

The Government Relations and Public Affairs Committee recommends that the board authorize the Chief Executive Officer to execute a final one-year extension option for the contract with Hunt & Sons, Inc. through September 30, 2019.

3. Background/Analysis:

In May 2014, the Board of Directors awarded a three-year contract with an option to extend two additional years to Hunt & Sons, Inc. SACOG, with the assistance of local government procurement staff, recommended the award in the form of a pooled variable quantity contract available to local government agencies in the region. Nine local government agencies are using the contract. The pooled contract structure reduces indirect costs for participating agencies by foregoing their individual procurement process, and direct costs from bulk purchase through economies of scale.

4. Discussion/Analysis:

The current Joint Contract for Fuel and Lubricants is scheduled to terminate on October 1, 2018. In June, the Board of Directors delegated authority to the CEO for the release of an updated pooled fuel & lubricants solicitation. Based on feedback received regarding new commodities added to the solicitation, low vendor participation, and a short timeline, staff plans to push the release of a pooled solicitation until spring/summer of 2019. In the meantime, staff recommends the board execute a final one-year extension with Hunt & Sons, Inc. through September 30, 2019. The additional year will give staff time to perform

additional vendor outreach and better scope the addition of new commodities (e.g., Renewable Compressed Natural Gas (RCNG) and Renewable Liquefied Natural Gas (RLNG)).

5. Fiscal Impact/Grant Information:

There is no fiscal impact for extending the contract. SACOG receives an administrative fee based on the volume purchased through the contract. In 2017, SACOG received \$30,484 in fee revenue from this contract.

6. This staff report aligns with the following SACOG Work Plan Goals:

8. Build out our Council of Governments Functions