



**Government Relations and Public  
Affairs Committee**

**Meeting Date:** 6/11/2018

**Agenda Item No.:** 2018-June-3.

**Subject:** Release Solicitation for Joint Purchase of Fuel & Lubricants (Est. time: 5 minutes)

**Consent**

**Prepared by:** Conor Peterson

**Approved by:** Erik Johnson

**Attachments:** Yes

**1. Issue:**

Should SACOG release an Invitation for Bid for a pooled procurement of fuel and lubricants on behalf of local governments in the Sacramento region?

**2. Recommendation:**

That the Government Relations & Public Affairs Committee recommend the Board of Directors release the Invitation for Bid (IFB) for joint fuel and lubricants procurement.

**3. Background/Analysis:**

This item maintains our current available services focused on building out our council of governments role by performing a re-solicitation of our joint purchase of fuel and lubricant contract. In 2014, SACOG established a master agreement for fuels and lubricants on behalf of cities, counties and special districts. This solicitation will mirror the 2014 approach by pooling together each local government agency's fuel purchasing data into a comprehensive proposal, where it will be released as a single procurement. The agreement will be available to local governments on an on-demand or as-needed basis structured as an indefinite quantity-indefinite delivery solicitation, requiring no formal commitment from participating agencies. The IFB will be structured to allow for multiple vendor awards under one agreement.

**4. Discussion/Analysis:**

Staff distributed a data gathering and interest survey in March, resulting in nearly thirty agencies expressing participation interest in the solicitation (shown in Attachment A). Our current joint fuel & lubricant contract runs through September 30, 2018, with a final one-year option available into 2019. Based on feedback from jurisdictions, especially in regards to the changing vendor market for renewable diesel use, we have forgone the final year option and plan to release a new solicitation. A timeline is shown in Attachment A, which includes bringing this item to the GRPA committee and board in August 2018, to

review vendor recommendations and contract terms.

The term of the new contract would be three years with two one-year options to extend.

## **5. Fiscal Impact/Grant Information:**

The pooled purchasing approach offers cost savings through bulk purchase and also saves a substantial amount of time by reducing soft services required to complete a competitive solicitation process by each agency. Soft savings resulting from a pooled procurement are estimated to save each agency nearly \$3,200 per procurement in staffing cost (66 hours per procurement), and nearly \$3,200 (15 hours per year) for ongoing contract administration over the life of a five-year contract. With an estimated 15 agencies participating, this would result in nearly \$100,000 of cost savings just for staffing costs to complete a procurement. Hard cost savings from the bulk discount are estimated to save \$10,000-\$40,000 per year for each agency, resulting in overall savings equal to \$250,000-\$600,000 for the region. These cost savings go up as more agencies participate throughout the entire solicitation process.

SACOG receives an administrative fee based on the gallons of fuel purchased in order to support regional and cooperative efforts under SACOG's Shared Services.

### **ATTACHMENTS:**

Description

Attachment A - Joint Fuel and Lubricants Solicitation Detail

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

#8 - Build out our Council of Governments Functions

## Joint Fuel and Lubricants Solicitation Detail

SACOG shall be the lead agency for an eventual master agreement. Services will be provided on a scheduled or on-demand basis. Fuels and lubricants include:

1. Unleaded
2. ULS Diesel
3. Renewable Diesel
4. Red-Dyed Diesel
5. CNG
6. LNG
7. Ethanol (E-85)
8. Propane
9. Cardlock
10. Various Lubricants

Participating Agencies will purchase directly from the selected vendor under a SACOG’s established master agreement by using the sub-agreement process. Participating Agencies shall be directly billed by the selected vendors for any purchase made under the agreement.

### Project Timetable

|                  |  |
|------------------|--|
| June 2018        | Release Joint Fuel & Lubricants IFB                                      |
| July/August 2018 | Select vendor(s)   |
| August 2018      | Come to SACOG Board with vendor suggestions and contract execution terms |
| August/September | Execute master agreement   |

### Agencies Expressing Interest

|                     |                                     |   |
|---------------------|-------------------------------------|---|
| City of Davis       | County of Nevada                    | North Tahoe Public Utility District     |
| City of Elk Grove   | County of Placer                    | San Juan Unified School District        |
| City of Folsom      | County of Sacramento                | Sierra College                          |
| City of Galt        | County of San Joaquin               | South Sutter Water District             |
| City of Lincoln     | County of Sutter                    | Sacramento Regional Sanitation District |
| City of Rocklin     | County of Yolo                      | UC Davis                                |
| City of Roseville   | County of Yuba                      | Town of Truckee                         |
| City of Sacramento  | Elk Grove Unified School District   | Yuba-Sutter Transit Authority           |
| City of Vacaville   | Los Rios Community College District |   |
| City of Yuba City   |                                     |   |
| County of Amador    |                                     |   |
| County of El Dorado |                                     |   |