



Government Relations & Public Affairs Committee

May 9, 2014

Release Request For Proposals (RFP) for Cooperative Purchase of Fuels and Lubricants

Issue: Should SACOG release an RFP for the cooperative purchase of fuel and lubricants for public agencies in the greater Sacramento region?

Recommendation: Staff recommends that the Board authorize the Chief Executive Officer to release an RFP.

Discussion: Since 2012, staff has worked with SACOG member agencies to identify priorities for potential shared services. Pooled purchasing has emerged as an area of high interest from member agencies and other public agencies in the area, and vehicle fuel and vehicle oils and lubricants (for simplicity, “fuels”) in particular. Many public agencies maintain vehicle fleets with on-site fuel tanks, so there are several million gallons of fuel purchased annually in the region. Some smaller agencies use commercial cardlock facilities for purchasing fuel. This RFP would allow for bulk delivery and commercial cardlock fuels of various types, as well as all vehicle oils and lubricants.

Staff seeks to release a Request for Proposals (RFP) after the May Board meeting, with a final contract award in August. An overview of the proposed RFP is attached. The RFP would be structured so that each agency uses the general contract terms, and then signs a separate agreement establishing the quantities desired and other terms specific to their needs.

Over the last several months, staff has surveyed public agencies in the SACOG region, as well as bordering counties, about their interest in participating in a joint procurement. Of those surveyed, 28 cities, counties, and special districts are interested in participating in a joint procurement of fuels. The intent of the procurement is to have a contract that saves money for all participating agencies, and each agency will be able to review pricing before entering into a contract later this year.

The potential savings to individual public agencies from participating in a joint procurement could be significant. Currently, for example, agencies pay between \$2.26 to \$3.77 per gallon for unleaded fuel. While some cost difference is based on location, volume is another factor, so by purchasing a large amount of fuel for the entire region, the volume discount could be passed on to all agencies.

Staff is talking with potential participants in the joint fuel procurement to design an administrative fee that could cover the costs of future joint procurement endeavors. The funds would be segregated to be used for the benefit of those participating agencies, and could be used on such things as legal costs for developing procurements, program administration, and other related costs. SACOG is working on a proposal that it will share with other agencies in the coming months and would be used if participating agencies agree as part of the final contract.

Staff is also talking with public agencies in the Bay Area currently developing a cooperative fuel purchase for potential partnership across the northern California megaregion.

Approved by:

Mike McKeever
Chief Executive Officer

Attachment

Key Staff: Erik Johnson, Acting Manager of Policy and Administration, (916) 340-6247

Overview of RFP for Cooperative Fuels and Lubricants Procurement

This Request for Proposals (RFP) is for the purchase of (1) commercial cardlock automotive fuels, (2) bulk automotive fuels, (3) automotive oil and lubrication products, and (4) other related products on an as-needed basis on behalf of the Participating Agencies defined below. Any public agency within the State of California may choose to participate at a future date. SACOG shall be the lead agency for this solicitation. Services will be provided on a scheduled or on-demand basis.

Participating Agencies shall purchase directly from the contractor, under the contract awarded pursuant to this RFP and the resulting agreements between the Contractor and each Participating Agency. Participating Agencies shall be directly billed by the Contractor for purchases. No party, including SACOG, shall be responsible to the Contractor for specific payments other than the Participating Agency contracting for those purchases.

The RFP will estimate quantities needed for commercial cardlock automotive fuel, bulk automotive fuels, and automotive oil and lubrication products.

Project Timetable

May 29, 2014	Issue Request for Proposals
June 12, 2014, 2:00-3:30 p.m.	Mandatory Pre-Bid Conference
June 17, 2014	Written addenda to RFP posted, if necessary
July 3, 2014, 4:00 p.m.	Proposals due
July 7-18, 2014	Review of proposals, including oral interviews if necessary
August 21, 2014	Contract award
September 2, 2014	Execution of the contract
October 1, 2014	Participating Agencies sign subagreements
December 1, 2014	Contract effective/deliveries begin

Potential Participating Agencies

City of Davis	County of Sacramento	Placer County Water
City of Elk Grove	County of Sacramento	Agency
City of Folsom	County of Solano	Sacramento RT
City Of Galt	County of Sutter Fleet	San Juan Water District
City of Rocklin	Maintenance	SMUD
City of Roseville	County of Yolo	SRCSA
City of Sacramento	County of Yuba	Town of Loomis
City of Woodland	Elk Grove Police	Town of Truckee
County of Amador	Department	UC Davis
County of Butte	Los Rios Community	Yuba-Sutter Transit
County of El Dorado	College Dist	
County of Placer	Nevada Irrigation District	