



AGENDA REPORT

Meeting Date: May 24, 2011
Item Number: F-11
To: Honorable Mayor & City Council
From: Fred Simonson, Maintenance Operations Manager *FSS*
Rene Biadoma, Fleet Manager
Subject: **APPROPRIATION OF FUNDS IN THE AMOUNT OF \$60,000 FOR THE PROVISION OF GASOLINE, DIESEL FUEL, AND LUBRICANTS THEREFOR; AND**
APPROVAL OF A CHANGE ORDER TO THE PURCHASE ORDER TO SOUTHERN COUNTIES OIL CO. D.B.A. SC FUELS FOR \$50,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$700,000
Attachment: 1. Amendment 1 to the Agreement (276-09) and Purchase Order

RECOMMENDATION

Staff recommends that the City Council move to: 1) Appropriate funds in the amount of \$60,000.00 as follows:

From		To	
\$60,000.00	Fund 49	\$60,000.00	4910001- Fuel Inventory 72090 - Account No.

2) Approve a change order of \$50,000 to the purchase order to SC Fuels in the not-to-exceed amount of \$700,000.00

INTRODUCTION

This report is a request for City Council approval to appropriate \$60,000 as an enhancement to the fuel budget and approve a change of \$50,000 to the purchase order to SC Fuels in the not-to-exceed amount of \$700,000.00 for the provision of gasoline, Diesel fuel, and lubricants used for the operation and maintenance of the City's vehicle and equipment fleet.

DISCUSSION

The ongoing escalation in fuel prices has resulted in a deficit for the City's fuel budget for the Fiscal Year 2010/11. This deficit was alleviated somewhat by a reduction in Diesel fuel usage due to the introduction of four compressed-natural-gas-powered (CNG) street sweepers into the fleet. Staff anticipates further reduction in Diesel fuel use as

additional CNG-powered vehicles, which are currently in the procurement pipeline, are added to the fleet.

FISCAL IMPACT

This appropriation request, if approved, will bring the fuel and lubricant budget for the Fiscal Year 2010/11 to a total amount of \$760,000. The change order to SC Fuels will increase the purchase-order amount by \$50,000 from \$650,000 to \$700,000 - the maximum "Consideration" shown in Attachment (1). The remaining \$10,000 of this request will provide for other fuel-related expenditures including: provision of premium-grade gasoline for motorcycles, natural-gas fuel for CNG-powered vehicles, propane, and "rerefined oil" products.



Scott Miller
Finance Approval



David Gustavson
Approved By

Attachment 1

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE
CITY OF BEVERLY HILLS AND SOUTHERN COUNTIES OIL
CO., A CA LIMITED PARTNERSHIP, DBA SC FUELS FOR
PROVISION OF GASOLINE, DIESEL FUEL, AND
LUBRICANTS

NAME OF VENDOR: Southern Counties Oil Co., a CA Limited
Partnership, dba SC Fuels

RESPONSIBLE PRINCIPAL OF VENDOR: Margie Peru
National Accounts Manager

VENDOR'S ADDRESS: P.O. Box 4159
Orange, CA 92863-4159

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Rene Biadoma
Fleet Manager

COMMENCEMENT DATE: July 1, 2009

TERMINATION DATE: June 30, 2010 and may be extended as
described in Section 3 of this Agreement

CONSIDERATION: Original Agreement: Not to exceed
\$500,000 per year and more particularly
described in Exhibit A and Attachment I

Amendment No. 1: Not to exceed \$200,000

Total not to exceed \$700,000

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS
AND SOUTHERN COUNTIES OIL CO., A CA LIMITED
PARTNERSHIP, DBA SC FUELS FOR PROVISION OF
GASOLINE, DIESEL FUEL, AND LUBRICANTS

This Amendment No. 1 is to the Agreement between the City of Beverly Hills (hereinafter called "CITY"), and Southern Counties Oil Co. a California Limited Partnership, dba SC Fuels (hereinafter called "VENDOR") dated July 7, 2009 and identified as Contract No. 276-09.

RECITALS

A. CITY entered into a written agreement with VENDOR dated July 7, 2009 for provision of gasoline, diesel fuel, and lubricants.

B. CITY desires to amend the agreement to increase the Consideration due to an increase in fuel consumption and an unforeseen rise in fuel costs.

NOW, THEREFORE, the parties agree as follows:

Section 1. The Consideration shall be amended as set forth above.

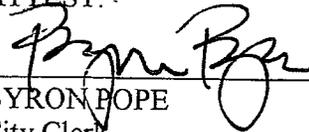
Section 2. Except as specifically amended by this Amendment No. 1, the Agreement dated July 7, 2009 shall remain in full force and effect.

EXECUTED the 6th day of April, 2010, at Beverly Hills,
California.

CITY OF BEVERLY HILLS
A Municipal Corporation


JIMMY DELSHAD
Mayor of the City of
Beverly Hills, California

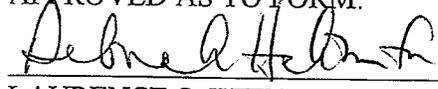
ATTEST:


BYRON POPE (SEAL)
City Clerk

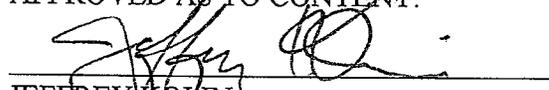
VENDOR: SOUTHERN COUNTIES OIL
CO., A CA LIMITED PARTNERSHIP,
DBA SC FUELS

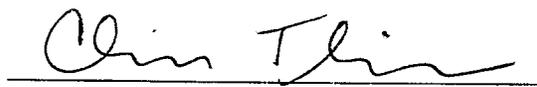

PATRICK W. BARNECUT
Vice President

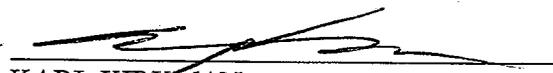
APPROVED AS TO FORM:


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:


JEFFREY KOLIN
City Manager


DAVID D. GUSTAVSON
Director of Public Works & Transportation


KARL KIRKMAN
Risk Manager



CITY OF BEVERLY HILLS

455 N Rexford Drive
Beverly Hills, CA 90210

PURCHASE ORDER NO. 11200219

PAGE NO. 1

VENDOR 10003139 FAX: 805-389-3554
SOUTHERN COUNTIES OIL CO
DBA SC FUELS
1801 W KATELLA AVENUE, SUITE 400
ORANGE CA 92863-4159

SHIP TO VEHICLE & MAINTENANCE - P W
CITY OF BEVERLY HILLS
9355 W THIRD STREET
BEVERLY HILLS, CA 90210
ATTN: RENE BIADOMA/MK 310.285.2483

ORDER DATE: 07/13/10	BUYER: R. BIADOMA/MK	REQ. NO.: 11100065	REQ. DATE:
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TERMS: NET 30 DAYS	F.O.B.:	DESC.: AUTO PETROLEUM PRODUCTS
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ITEM#	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	EXTENSION
01	1.00	EA	<p>COUNCIL APPROVED 7/8/2010, ITEM G-13. EXTENSION TO AGREEMENT #276-29 EXPIRES 6/30/11. ALL INSURANCE MUST REMAIN CURRENT. CHARGES ARE NOT TO EXCEED TOTAL.</p> <p>ALL TERMS AND CONDITIONS OF BID #09-34 ARE INCORPORATED HEREIN BY REFERENCE. GASOLINE, DIESEL FUEL, LUBRICANT PRODUCTS AS DIRECTED BY THE CITY- BLANKET PO.</p>	650000.0000	650,000.00

ITEM#	ACCOUNT	AMOUNT	PROJECT CODE	PAGE TOTAL \$	650,000.00
01	4910001 72090	650,000.00		TOTAL \$	650,000.00

APPROVED BY

AUTHORIZED SIGNATURE

JUL 14 2010