

RESOLUTION ACCEPTING BID FOR THE PURCHASE OF BULK FUEL

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY FORT SMITH, ARKANSAS, THAT:

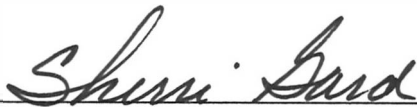
The bids, as indicated by enclosure on attached Bid Tabulation 4306-22-BA for the purchase of gasoline and diesel fuel from Frost Oil Co., are accepted.

This Resolution adopted this 1st day of February, 2022.

APPROVED:

VICE-MAYOR 

ATTEST:


CITY CLERK

Approved as to form:


 No Publication Required

Publish ___ Times

Interoffice Memorandum

TO: Carl Geffken, City Administrator
COPY TO: Andrew Richards, Director of Finance
FROM: Alie Bahsoon, Purchasing Manager *AB*
SUBJECT: Bulk Fuel Contract
DATE: January 25, 2022



Enclosed you will find the bid tabulation for the purchase of bulk fuel for 2022. This bid is for diesel and gasoline fuel that will be used by various city departments.

The current contract with Petroleum Traders expires at the end of January. We solicited bids from fuel providers for an initial one year period beginning in February 2022, with a two (2) year automatic renewal period. As noted in the bid tabulation, the lowest and acceptable bid was submitted by Frost Oil of Van Buren. The negative values represent a discount that would be applied to the OPIS (“Oil Price Information Service”) Fort Smith Weekly Average price that the pricing is based on. Applicable taxes will be added on as a separate line item. I have included a cost projection worksheet indicative of what the markup cost will be based on our annual fuel averages. Despite a slightly higher discount of $-\$0.0031$ from Petroleum Traders for the unleaded fuel, staff believes it is economically beneficial to award the contract to Frost Oil for its fuel needs due to the aggregate discount offered and also realizing cost and time savings, improved accounting and reporting functions, and a single customer support team.

Funding for the purchase of fuel has been budgeted for by various departments and will be available in the 2022 Budget from the respective Fuel and Lubricant accounts (Object Code 528500).

This purchase fulfills the purchasing obligations as mandated by both state and local purchasing requirements and I am recommending the bid noted by enclosure on the attached bid tabulation is accepted and approved by the Board.

Please let me know if you should have any questions.

City of Fort Smith - Bid Tabulation #4306-22-BA
2022 Bulk Fuel Contract

FUEL TYPE	VENDOR	Petroleum Traders Ft. Wayne, IN		Frost Oil Co. Van Buren, AR		Littlefield Oil Co. Fort Smith, AR	
		<i>Per Gal.</i>	<i>Total</i>	<i>Per Gal.</i>	<i>Total</i>	<i>Per Gal.</i>	<i>Total</i>
Schedule A-Diesel <i>Estimated monthly usage of 43,600</i>		<i>-\$0.0118</i>	<i>-\$514.48</i>	<i>-\$0.0149</i> ✓	<i>-\$649.64</i>	<i>\$0.0345</i>	<i>\$1,504.20</i>
		<i>-\$0.0241</i>	<i>-\$443.44</i>	<i>-\$0.0210</i> ✓	<i>-\$386.40</i>	<i>\$0.0292</i>	<i>\$537.28</i>
Schedule A-Unleaded <i>Estimated monthly usage of 18,400</i>		<i>-\$0.0241</i>	<i>-\$443.44</i>	<i>-\$0.0210</i> ✓	<i>-\$386.40</i>	<i>\$0.0292</i>	<i>\$537.28</i>
Schedule B- Unleaded <i>Estimated monthly usage of 400-700 (550 Average)</i>		<i>\$0.3500</i>	<i>\$192.50</i>	<i>\$0.1500</i> ✓	<i>\$82.50</i>	<i>\$0.2500</i>	<i>\$137.50</i>

✓ Recommended Bid Award

2022 Bulk Fuel-Projected Cost

Frost Oil					
Fuel Type	Monthly Avg	Yearly	2022 Bid Proposal	Projected Cost	Projected Savings
Diesel	43600	523200	(\$0.0149)	(\$7,795.68)	(\$7,795.68)
Unleaded	18400	220800	(\$0.0210)	(\$4,636.80)	(\$4,636.80)
Sanit. Unl.	550	6600	\$0.1500	\$990.00	\$990.00
					<u><u>(\$11,442.48)</u></u>

Petroleum Traders					
Fuel Type	Monthly Avg	Yearly	2022 Bid Proposal	Projected Cost	Projected Savings
Diesel	43600	523200	(\$0.0118)	(\$6,173.76)	(\$6,173.76)
Unleaded	18400	220800	(\$0.0241)	(\$5,321.28)	(\$5,321.28)
Sanit. Unl.	550	6600	\$0.3500	\$2,310.00	\$2,310.00
					<u><u>(\$9,185.04)</u></u>

Littlefield Oil					
Fuel Type	Monthly Avg	Yearly	2022 Bid Proposal	Projected Cost	Projected Savings
Diesel	43600	523200	\$0.0345	\$18,050.40	\$18,050.40
Unleaded	18400	220800	\$0.0292	\$6,447.36	\$6,447.36
Sanit. Unl.	550	6600	\$0.2500	\$1,650.00	\$1,650.00
					<u><u>\$26,147.76</u></u>