



Legislation Text

File #: 2021-0768, **Version:** 0

Title
Gasoline and Diesel Fuel - Bid Award

History

The contract for gasoline and diesel fuel with the current vendor expires at the end of FY2021. The estimated gasoline and diesel fuel usage for Fiscal Year 2022 is approximately 165,000 gallons of gasoline, 56,000 gallons of diesel fuel, and 1,500 gallons of generator fuel. In order to ensure the Village continues to receive competitive fuel pricing, staff issued Request for Proposal (RFP) 21-023 via BidNet Direct on September 20, 2021.

Firms were asked to provide prices for delivery of gasoline and diesel fuel to the fuel island at the Public Works Facility, as well as delivery of fuel to remote facilities including Utility Division lift station and pumping station generators and other Village facility generators. Firms also were to be evaluated for past performance with the Village or other communities.

Ten (10) vendors either download all or partial bid packages. Bids were received and opened from three (3) bidders at Village Hall on October 7, 2021. The three (3) bid packages, the bid tab, and the evaluation of bid submittals are attached for reference. Bids were received from Al Warren Oil Company Inc. of Summit, Illinois; Avalon Petroleum Company of Kankakee, Illinois; and Petroleum Traders Corporation of Fort Wayne, Indiana.

Due to variability of price for fuel, the vendors priced the fuel based on Chicago area average index published in the Oil Price Information Service (OPIS). Each vendor's markup includes federal tax, overhead costs, delivery costs, tank bottom sampling, water removal lab analysis of the fuel, and 24/7 service staff. This markup is added to the cost of fuel in the delivery. Petroleum Traders was the lowest bid for gasoline. Avalon Petroleum was lowest for diesel and mix grade diesel, and Al Warren Oil Company Inc. was lowest for generator fuel (see attached Bid Evaluation spreadsheet). Along with proposed price, the Village evaluated past performance of similar deliveries and quantities, as well as references.

Based on projected yearly usage of 165,000 gallons of gasoline and projected yearly usage of 40,000 gallons of diesel, the low bid unit price for gasoline by Petroleum Traders had a greater impact to bottom line cost to the Village than Avalon's low bid unit price for diesel. Therefore, Staff is recommending the fuel bid be awarded to Petroleum Traders Corporation of Fort Wayne, Indiana for a two (2) year period commencing on January 1, 2022 through December 31, 2023.

Financial Impact

Funds for this purchase are available in accounts 010-5006-462100, 031-6002-462100, 031-6003-462100 and 010-7002-462100.

Recommended Action/Motion

I move to accept the bid for gasoline and diesel fuel and related services to Petroleum Traders

Corporation of Fort Wayne, Indiana for two (2) years per the terms and pricing provided within their October 7, 2021, sealed bid for an amount not to exceed the Board approved budgeted amount;

And,

Authorize the Village Manager to execute all related contracts, subject to Village Attorney review.