

Date August 8, 2011

WHEREAS, the Fleet Maintenance Division of the City Manager's Office requested the Finance Department Procurement Division to solicit bids for an annual contract with two (2) additional one year renewal options to furnish fuel products for use by the Equipment Maintenance Center, as well as other city departments; and

WHEREAS, the Procurement Division solicited bids by advertisement and mailing Invitation to Bid V10-106 to ten (10) potential bidders with six (6) bids received; and

WHEREAS, the specifications, patterned after the Iowa Department of Transportation bid specifications, required the bidder to provide a "bid margin" that would include overhead, profit, and delivery charges that would be added to or deleted from the daily average price per gallon of diesel, ethanol, E85 or gasohol as reported to the Iowa Department of Transportation by AXXIS Petroleum, Inc.: and

WHEREAS, the overall low dollar compliant bid was received from Fauser Energy Resources, 106 Center Street, Elgin, IA 552141, at a total annual estimated cost of \$3,189,300.00; and

WHEREAS, the overall second low dollar compliant bid was received from Sapp Brothers Petroleum, 9915 South 148th Street, Omaha, NE 68138, at a total annual estimated cost of \$3,192,505.00; and

WHEREAS, the overall third low dollar compliant bid based on a fixed price per gallon was received from Keck Energy, 501 SW 7th Street, Des Moines, IA 50309, Mark Meyer, President, at a total annual estimated cost of \$3,193,900.00; and

WHEREAS, Municipal Code sections 2-705 and 2-706 allow for preference for local goods and services, wherein preference is given to a responsive bid from a business whose headquarters, or the headquarters of its parent or holding company, is located within the corporate limits over an acceptable low bid submitted by a business located outside of the corporate limits, and the local bidder's bid exceeds the acceptable low bid by no more than one percent; and

WHEREAS, Keck Energy qualifies for the one per cent local preference, and does not exceed the acceptable low bid by more than one per cent, and thereby becomes the low dollar compliant bidder; and


WHEREAS, funding is available from various city wide operating departmental budgets at an annual estimated amount of \$3,500,000.00; and

WHEREAS, the Procurement Administrator and the Fleet Maintenance Manager recommend approval of the overall low dollar bid for fuel products;

NOW THEREFORE BE IT RESOLVED, that the Des Moines City Council hereby accepts and approves the award to Keck Inc. and further authorizes the Procurement Administrator to enter into an annual agreement renewable for two (2) additional twelve (12) month periods.

Approved as to form:

Moved by _____ to adopt


Ann DiDonato
Assistant City Attorney

 **Roll Call Number**

Agenda Item Number

35 A

Date August 8, 2011

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk

CITY OF DES MOINES - DEPARTMENT OF FINANCE - PURCHASING DIVISION		Bid No. V10-106		RFP # -		Total Cost		Total Cost		Total Cost	
Rack Priced Fuel		Fleet Maintenance		Hamland Fuel Products, L.L.C.		Kock Energy		James Oil Co. L.L.C.		Petroleum Traders Corporation	
Opened: 08/16/10		Opened by: mv		920 10th Ave. N.		501 SW 7th Street		110 S. Garfield		7120 Pointe Inverness Way	
Fausgr Energy Resources		Samp Bros - Petroleum, Inc.		Onalaska, WI 54650		Des Moines, IA 50309		Carlisle IA 50047		Fort Wayne, IN 46804	
108 Center Street		9915 South 148th Street		Net 30		Net 30		Net 30		Net 30	
Eglin, IA 52141		Omaha, NE 68138		Delivered		Des Moines		Des Moines		1 day	
Net 30		Net 30		1 day		2 days		2 days		1 day	
Delivery: 2 days		2 days		Total Cost		Total Cost		Total Cost		Total Cost	
Gallons \$ 3.16		Total Cost		Total Cost		Total Cost		Total Cost		Total Cost	
500,000 Gallons Diesel - Includes #2 summer months and 80/20 blend- #2/#1 winter months											
#2 Diesel with red dye	450000	(\$0.0115)	\$1,415,925.00	(\$0.0100)	\$1,417,500.00	(\$0.0082)	\$1,418,310.00	\$0.03	\$1,435,500.00	\$0.0154	\$1,428,930.00
#1 Diesel with red dye	50000	(\$0.0135)	\$157,375.00	(\$0.0100)	\$157,500.00	(\$0.0082)	\$157,590.00	\$0.03	\$159,500.00	\$0.095	\$162,250.00
400,000 Gallons Unleaded 87 Octane	400000	(\$0.0150)	\$1,260,000.00	(\$0.0050)	\$1,265,000.00		\$1,265,720.00	\$0.0275	\$1,275,000.00	\$0.0067	\$1,267,480.00
TANK TRUCK DELIVERY											
80,000 Gallons Diesel - Includes #2 summer months and 80/20 blend- #2/#1 winter months											
#2 Diesel with red dye	72000	\$0.0950	\$234,360.00	\$0.1300	\$235,880.00	\$0.0880	\$235,856.00	\$0.11	\$235,440.00	\$0.098	\$234,576.00
#1 Diesel with red dye	8000	\$0.0950	\$26,040.00	\$0.1300	\$26,000.00	\$0.0880	\$25,984.00	\$0.11	\$25,160.00	\$0.098	\$24,064.00
30,000 Gallons Unleaded 87 Octane	30000	\$0.0950	\$97,650.00	\$0.1300	\$97,305.00	\$0.0880	\$97,440.00	\$0.11	\$98,100.00	\$0.098	\$97,740.00
			\$3,189,300.00		\$3,192,595.00		\$3,189,900.00		\$3,229,700.00		\$3,217,040.00

CITY OF DES MOINES - DEPARTMENT OF FINANCE - PURCHASING DIVISION

Bidder: Fauser Energy Resources
Address: 106 Center Street
City: Elgin, IA 52141
Terms: Net 30
FOB: Delivered
Delivery: 2 days

Rack Priced Fuel
Opened: 06/16/10

Fleet Maintenance
Opened by: mv

Bid No. V10-106
Req. # -

Hartland Fuel Products, L.L.C.
 920 10th Ave. N.
 Onalaska, WI 54650
 Net 30
 Delivered
 1 day

Sapp Bros - Petroleum, Inc.
 9915 South 148th Street
 Omaha, NE 68138
 Net 30
 2 days

Keck Energy
 501 SW 7th Street
 Des Moines, IA 50309
 Net 30
 Des Moines
 2 days

TRANSPORT DELIVERY

60,000 Gallons Diesel - includes #2 summer months and 80/20 blend-#2/#1 winter months

#2 Diesel with red dye	(\$0.0135)	(\$0.0115)	(\$0.0100)	(\$0.0082)
#1 Diesel with red dye	(\$0.0135)	(\$0.0125)	(\$0.0100)	(\$0.0082)
100,000 Gallons Unleaded 87 Octane	(\$0.0150)	(\$0.0075)	(\$0.0050)	(\$0.0082)

TANK TRUCK DELIVERY

80,000 Gallons Diesel - includes #2 summer months and 80/20 blend-#2/#1 winter months

#2 Diesel with red dye	\$0.0950	\$0.09	\$0.1300	\$0.0880
#1 Diesel with red dye	\$0.0950	\$0.09	\$0.1300	\$0.0880
30,000 Gallons Unleaded 87 Octane	\$0.0950	\$0.0835	\$0.1300	\$0.0880

Bidder: James Oil Co., L.L.C.
Address: 110 S. Garfield
City: Carlisle, IA 50047
Terms: Net 30
FOB: Des Moines
Delivery:

Petroleum Traders Corporation
 7120 Pointe Inverness Way
 Fort Wayne, IN 46804
 Net 30
 1 day

NO RESPONSE FROM:
 Central States Petroleum
 Diamond Oil
 Fuller Petroleum Service
 Nebraska Iowa Supply

TRANSPORT DELIVERY

60,000 Gallons Diesel - includes #2 summer months and 80/20 blend-#2/#1 winter months

#2 Diesel with red dye	\$0.3	\$0.0154
#1 Diesel with red dye	\$0.3	\$0.085
100,000 Gallons Unleaded 87 Octane	\$2.75	\$0.0087

TANK TRUCK DELIVERY

80,000 Gallons Diesel - includes #2 summer months and 80/20 blend-#2/#1 winter months

#2 Diesel with red dye	\$0.11	\$0.098
#1 Diesel with red dye	\$0.11	\$0.098
30,000 Gallons Unleaded 87 Octane	\$0.11	\$0.098