

Date November 3, 2008

**APPROVING AN EXCEPTION TO THE PROCUREMENT ORDINANCE
COMPETITIVE BIDDING REQUIREMENTS FOR GOOD CAUSE AND APPROVING
PROCUREMENT OF BULK FUEL AT A TOTAL ANNUAL ESTIMATED COST OF
\$3,000,000.00**

WHEREAS, Roll Call # 07-772, dated April 23, 2007, approved an annual contract award to Keck Inc., 320 SW 9th Street, Des Moines, IA 50309, to procure fuel products for use by the Equipment Maintenance Center, as well as other City departments; and

WHEREAS, the award was based on 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; and

WHEREAS, such contract with Keck Inc. expired on April 23, 2008; and

WHEREAS, market conditions for fuel products are volatile throughout the year, and historical data is available to show trends for high and low prices, and analysis of the market can result in cost savings to the City by buying bulk fuel needs for the entire City for the entire year when conditions are favorable for the greatest possible savings; and

WHEREAS, the Fleet Oversight Committee recommends authority be granted to the City Manager to take advantage of the most favorable market conditions, which requires immediate action and flexibility in determining a provider, to secure the best price available on any given day; and

WHEREAS, the City Manager recommends that the procurement of bulk fuel be exempted from the competitive bidding requirements for good cause shown, pursuant to Section 2-710(a) of the Municipal Code of the City of Des Moines; and

WHEREAS, funding is available from CMO011400/Fuel Services.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that good cause has been shown to exempt the procurement of bulk fuel from the Procurement Ordinance competitive bidding requirements in an amount not to exceed \$3,000,000.00.

★ Roll Call Number
08-1928

Agenda Item Number
9

Date November 3, 2008

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to procure bulk fuel at the best market rate available, as determined by an informal bid process in consultation with the Procurement Administrator and the Fleet Oversight Committee, for a period not to exceed 12 months.

BE IT FURTHER RESOLVED that the City Manager is authorized to negotiate and execute any implementing agreements for such procurement, subject to review and approval as to form by the Legal Department.

(Council Communication No. 08- 664)

Moved by Meyer to adopt; City Manager will notify Mayor and Council Members when purchases are made and will provide a periodic status report.

Approved as to Form:

Ann DiDonato
Ann DiDonato
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
HENSLEY	✓			
KIERNAN	✓			
MAHAFFEY	✓			
MEYER	✓			
VLASSIS	✓			
TOTAL	7			

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.

MOTION CARRIED APPROVED
T. M. Franklin Mayor

Diane Rauh City Clerk