



**Item:** Fuel Purchase  
**From:** Doug Alm, Vehicle Maintenance Supervisor  
**Initiated By:** Public Works Department  
**Presented By:** Jim Rearden, Public Works Director  
**Action Requested:** Award Bid

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (approve/reject) the bid award for gasoline and diesel fuel to Mountain View Co-op for three years at an annual cost of approximately \$537,428, and authorize the City Manager to execute the contract documents.”

2. Mayor calls for a second to the motion, Commission discussion, public comment, and calls for the vote.

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**Staff Recommendation:** Staff recommends that the City Commission award the gasoline and diesel fuel contract to Mountain View Co-op for three years at an annual cost of approximately \$537,428, and authorize the City Manager to execute the contract documents.

**Background:**

Significant Impacts

Per the existing contract, the parties involved by mutual agreement can extend the contract for a period of three years.

Staff estimates the annual fuel use to be 140,000 gallons of unleaded gasoline, 24,000 gallons of number one diesel and 126,000 gallons of number two diesel.

Fuel prices will, of course, fluctuate and the specifications ask for the particular index the supplier proposes to use to determine the cost changes. Mountain View Co-op will use the Cenex wholesale price, and as the price paid by Mountain View Co-op changes, our price will change by the same amount per gallon.

Evaluation and Selection Process

The specifications were advertised two times in the Great Falls Tribune, placed on the City of Great Falls website, and mailed to six prospective bidders. The bids were opened on August 17, 2016, with one bidder responding.

**Fiscal Impact:** The costs per gallon decreased significantly:

<b>Fuel Purchase</b>	<b>Unleaded</b>	<b>Dyed Diesel #1</b>	<b>Dyed Diesel #2</b>
<b>2013</b>	<b>\$3.4960</b>	<b>\$3.5860</b>	<b>\$3.2960</b>
<b>2016</b>	<b>\$1.8922</b>	<b>\$2.0646</b>	<b>\$1.7696</b>
<b>Decrease Per Gallon</b>	<b>\$1.6038</b>	<b>\$1.5214</b>	<b>\$1.5264</b>

Funds for the purchase of gasoline and diesel fuels are provided in individual department budgets. Central Garage tracks fuel usage and departments are billed for their actual use.

**Alternatives:** The City Commission could vote to reject this bid award.

**Attachments:** Bid List, Bid Tab, Bid Specifications

**FUEL PURCHASE  
BID LIST**

1. Tolan Distributing, Inc.  
2201 Vaughn Road  
Great Falls, MT 59404
  
2. Best Oil Dist. Inc.  
5401 River Dr. N.  
Great Falls, MT 59405
  
3. Mountain View Co-Op  
1000 Smelter Avenue  
Black Eagle, MT 59414
  
4. H-W Distributors, Inc.  
5401 River Drive North  
Great Falls, MT 59405
  
5. Kernaghans Service, Inc.  
1504 9<sup>th</sup> Avenue North  
Great Falls, MT 59401
  
6. Pinnacle Petroleum, Inc  
7911 Professional Circle  
Huntington Beach, CA 92648

CITY OF GREAT FALLS  
 PO BOX 5021  
 GREAT FALLS MT 59403

**FUEL PURCHASE**

Project Number  
 Bids Taken at Civic Center  
 Date: August 17, 2016  
 Tabulated By: Debbie Kimball  
 Page 1 of 2

<b>NAME &amp; ADDRESS OF BIDDER ←</b>	<b>Mtn. View Co-op</b>		<b>Page 3 (F)</b>				
<b>Bid Security</b>	<b>Bid bond 10%</b>						
<b>Affidavit of Non- Collusion</b>	√						
<b>BASE INDEX COST PER GALLON</b>							
• <b>Any Quantity Unleaded</b>			<b>\$1.5637</b>				
• <b>Any Quantity No. 1 Diesel</b>			<b>\$2.0061</b>				
• <b>Any Quantity No. 2 Diesel</b>			<b>\$1.7111</b>				
<b>STORAGE /CLEAN UP FEE PER GAL.</b>							
• <b>Any Quantity Unleaded</b>			<b>\$.0075</b>				
• <b>Any Quantity No. 1 Diesel</b>			<b>\$.0075</b>				
• <b>Any Quantity No. 2 Diesel</b>			<b>\$.0075</b>				
<b>STATE TAX PER GALLON</b>							
• <b>Any Quantity Unleaded</b>			<b>\$.27</b>				
• <b>Any Quantity No. 1 Diesel</b>			<b>\$.00</b>				
• <b>Any Quantity No. 2 Diesel</b>			<b>\$.00</b>				

<b>NAME &amp; ADDRESS OF BIDDER ←</b>	<b>Mtn. View Co-op</b>		<b>Page 3 (F)</b>				
<b>SUPERFUND TAX PER GALLON</b>							
• <b>Any Quantity Unleaded</b>			<b>\$.001</b>	<b>Rack +</b>			
• <b>Any Quantity No. 1 Diesel</b>			<b>\$.001</b>	<b>Rack +</b>			
• <b>Any Quantity No. 2 Diesel</b>			<b>\$.001</b>	<b>Rack +</b>			
<b>OTHER COST PER GALLON SPECIFY</b>							
• <b>Any Quantity Unleaded</b>			<b>\$.05</b>	<b>Transport</b>			
• <b>Any Quantity No. 1 Diesel</b>			<b>\$.05</b>	<b>Transport</b>			
• <b>Any Quantity No. 2 Diesel</b>			<b>\$.05</b>	<b>Transport</b>			
<b>TOTAL COST TO CITY PER GALLON</b>							
• <b>Any Quantity Unleaded</b>			<b>\$1.8922</b>				
• <b>Any Quantity No. 1 Diesel</b>			<b>\$2.0646</b>				
• <b>Any Quantity No. 2 Diesel</b>			<b>\$1.7696</b>				
<b>TOTAL BID</b>							
• <b>Any Quantity Unleaded</b>			<b>\$264,908.00</b>				
• <b>Any Quantity No. 1 Diesel</b>			<b>\$49,550.40</b>				
• <b>Any Quantity No. 2 Diesel</b>			<b>\$222,969.60</b>				
<b>NAME OF PRICE INDEX PROPOSED</b>			<b>Cenex Rack Pricing</b>				

# CITY OF GREAT FALLS

## INFORMATION FOR BIDDERS AND SPECIFICATIONS FOR FUEL PURCHASE

### 1.0 INFORMATION FOR BIDDERS

- 1.1 **Bids:** All bids shall be made on the attached forms provided by the City of Great Falls (City). All bids shall be legibly written in ink.
- 1.2 **Delivery of Bid:** Each bid must be signed and submitted in a sealed envelope. Envelope containing bid shall be addressed to the City Clerk, 2 Park Drive South, Civic Center Room 204, Great Falls, MT 59401, and plainly marked on the outside with the statement, "Bid for Fuel Purchase." Signed and sealed bids are due no later than 3:00 pm, Wednesday, August 17, 2016. Bids will be opened in the Civic Center Rainbow Room at 3:00 pm, Wednesday, August 17, 2016.
- 1.3 **Bid and Performance Guarantee:** Bids must be accompanied by a cashier's check, certified check, or bank money order and issued by a national banking association located in the State of Montana, or by any banking corporation incorporated in the State of Montana; or by a bid bond or bonds executed by the Surety Corporation authorized to do business in the State of Montana in the amount of ten percent (10%) of the amount of the bid as a guarantee will be returned to bidder.
- 1.4 **Rejection of Bid:** The City of Great Falls reserves the right to reject any and all bids or to accept any bid deemed to be in the best interest of the City of Great Falls.

### SPECIFICATIONS FOR FUEL PURCHASE

It is the intent of these specifications and bid proposal to secure price quotes for Unleaded Gasoline (minimum of 85 Octane) and No. 1 and No. 2 Diesel Fuel (Cetane 45 and 43, respectively) for the City of Great Falls for a three-year period beginning with City Commission bid award. THIS AGREEMENT MAY BE AUTOMATICALLY RENEWED BY MUTUAL AGREEMENT OF THE CITY OF GREAT FALLS AND THE SUCCESSFUL BIDDER FOR AN ADDITIONAL THREE YEAR TERM. THE PARTY DESIRING TO EXTEND THIS AGREEMENT SHALL PROVIDE AT LEAST 180 DAYS PRIOR WRITTEN NOTICE TO THE OTHER. Fuel products must meet or exceed all the following specifications. Any deletions or variations from the following specifications must be noted and explained. These specifications shall be construed as minimum requirements.

	Meets or Exceeds Specifications	Exception to Specifications
A. <u>GENERAL:</u>	Yes or No	_____
1. Prices may fluctuate from the initial levels quoted as they relate to the posted tank wagon prices or other similar, verifiable index.	<u>Yes</u>   _____	_____
INDEX PROPOSED: <u>TRANSPORT LOAD = Great Falls Rack + 5 Cents</u> <u>BULK Load = Great Falls Rack + 10 Cents</u>		
2. Supplier will provide the City with copies of any and all documentation as to changes in the index affecting the City's costs.	<u>Yes</u>   _____	_____
3. Supplier shall provide the City with detailed invoices for all fuels purchased during a calendar month.	<u>Yes</u>   _____	_____
4. Orders for fuel by the City may be either written or oral. Any order may include quantities less than a full transport load.	<u>Yes</u>   _____	_____
5. Supplier will deliver fuel to the storage tank(s) designated by the City which are listed in Paragraph E. and within 24 hours of the written or oral order.	<u>Yes</u>   _____	_____
6. All prices are to include delivery and placement in the City's storage tanks as listed in Paragraph E.	<u>Yes</u>   _____	_____

Meets or Exceeds  
 Specifications  
 Yes or No

Exception  
 to  
 Specifications

A. GENERAL (CONTINUED):

7. Quantities are estimates only of one year's use. The actual amount may be somewhat more or less than the estimate.

Yes |

8. Fuel quality shall be at least equal to the quality of fuel available at commercial pumping stations.

Yes |

9. Supplier shall not be liable for any delay in furnishing or failure to furnish fuel due to fire, war, flood, or other act of God.

Yes |

10. In case of default by supplier or failure of supplier to deliver the fuel within the time specified, the City may procure fuel from other sources.

Yes |

B. UNLEADED GASOLINE:

1. Octane level: Minimum of eighty-five (85)

Yes |

2. Fuel to contain a detergent additive of sufficient strength to promote clean operation of fuel injected engines.

Yes |

C. NO. 1 DIESEL FUEL: Cetane forty-five (45)

Yes |

D. NO. 2 DIESEL FUEL: Cetane forty-two (42)

Yes |

E. STORAGE TANKS: The listing below is the capacity of the tank and not the amount of fuel that would be ordered for each delivery.

1. Public Works Complex, 1025 25th Avenue Northeast:

- a. Tank #1, diesel capacity (No. 1 and No. 2):
- b. Tank #2, unleaded gasoline capacity:

9,800 gallons  
 9,800 gallons *R + .05*

2. Fire Station #1, 105 9th Street South:

- a. Tank #1, unleaded gasoline capacity:
- b. Tank #2, diesel capacity (No. 1 and No. 2):
- c. Tank #3, diesel capacity (No. 1 and No. 2):

9,000 gallons  
 2,100 gallons  
 2,100 gallons *R + .05*

3. R. O. Speck Golf Course, 29th Street and River Drive:

- a. Unleaded gasoline capacity:

1,000 gallons *R + .10*

4. Anaconda Hills Golf Course, NE of City (Black Eagle):

- a. Unleaded gasoline capacity:

1,000 gallons *R + .10*

DATE: \_\_\_\_\_

NAME OF PRICE INDEX PROPOSED: Cenex Rack Pricing

GROSS MARGIN PER GAL: .03 Transport

NAME OF COMPANY: Mountain View Coop

ADDRESS: 2200 Old Haune Highway, Black Eagle, mt.

TELEPHONE: 406-453-2435 Ext 1

PREPARED BY: \_\_\_\_\_  
 (PRINTED NAME) (SIGNATURE)

MOUNTAIN VIEW COOP

CITY OF GREAT FALLS FUEL PURCHASE  
 BID SPECIFICATIONS

PAGE 3

F.1 BIDS:

F.1

BASE INDEX COST PER GAL *GF Rack B/M/14* \$ 1.5637 \$ 2.0061 \$ 1.7111 *- CHANGES at 6:00pm Monday - Friday*

F.2

STORAGE / CLEAN-UP FEE PER GAL \$ .0075 \$ .0075 \$ .0075

F.3

FEDERAL TAX PER GAL NA NA NA

F.4

STATE TAX PER GAL \$ .27 \$ \$

F.5

SUPERFUND TAX PER GAL \$ .001 \$ .001 \$ .001

F.6

OTHER COST PER GAL \$ NA \$ NA \$ NA  
 PLEASE SPECIFY:

F.7

TOTAL COST TO CITY PER GAL \$ 1.8922 \$ 2.0646 \$ 1.7696

F.8

ESTIMATED AMOUNT IN GALS 140,000 24,000 128,000

F.9

TOTAL BID (ROW F7 X F8) \$ 264,908 \$ 49,550.40 \$ 222,969.60

F.10

Bid award recommendation will be based on the total costs of row F.9. Should different indices be used by bidders, City Staff will recommend the bid having the best cost benefit to the City.

**\$537,428.00**

*Rack price listed does not include the 5¢ Terminal Discount on Diesel currently in effect at Phillips and Calumet. The City of Great Falls will receive All Terminal Discounts in effect on product day of load.*



# BID FOR FURNISHING FUEL

The undersigned bidder having examined the specifications for bid, hereby proposes to provide fuel to the City of Great Falls, Montana, complete in accordance with the information for bidders and specifications on file in the office of the City of Great Falls Central Garage Division for the prices quoted in this bid.

The undersigned bidder further agrees that the only persons or parties interested in this bid are in all respects fair and without fraud; that it is made without collusion with any officials or employees of the City of Great Falls, and that the bid is made without any connection or collusion with any person making another bid.

Enclosed herewith is a \_\_\_\_\_ as a bid and performance guarantee, in the amount of ten percent of bid, or \_\_\_\_\_ dollars, (\$ \_\_\_\_\_) which the undersigned agrees is to be forfeited to and become the property of the City of Great Falls as liquidated damages, should this bid be accepted by the City of Great Falls and awarded to bidder and bidder fails to supply the vehicles/equipment in the form prescribed, but otherwise the bid and performance guarantee shall be returned to the undersigned upon satisfying the terms of this Bid and Information for Bidders and Specifications for the Fuel Purchase.

The undersigned bidder further agrees that, pursuant to Montana Code Ann. 18-1-102, the City is required to provide purchasing preferences to resident Montana vendors and/or for products made in Montana against the bid of a nonresident if the state of the nonresident enforces a preference for residents.

In submitting this bid, it is understood that the City of Great Falls reserves the right to reject any and all bids, to delete certain items, and to postpone award for a reasonable time.

The undersigned bidder certifies that he understands and accepts the manner of payment of the cost of materials for this bid item.

The undersigned bidder certifies that he has received and duly considered the following Addenda to the specifications:

Addenda: No. NA

Dated 8-10-16

Bid Submitted by: Mountain View Coop  
(Name of Company)

Authorized Signature: \_\_\_\_\_

Address: 2200 Old House Highway BE, MT 59415

Telephone: 406-453-5900

Dated this 10<sup>th</sup> day of August, 2016.

State of MT

County of Cascade

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On this 10 day of August, 2016, before me a Notary Public for the State of Choteau MT, personally appeared Marc Freund known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

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

Notary Public for the State of: Montana  
Printed Name: Rose M Wilson  
Residing at: Choteau MT  
My Commission Expires: June 19 2020



ROSE M. WILSON  
NOTARY PUBLIC for the  
State of Montana  
Residing at Choteau, Montana  
My Commission Expires  
June 19, 2020