



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 11/29/2017

E26434 - Fuel, Low Emission Diesel - ORDINANCE

Agenda Item#:

### **Background:**

**S12-E26434 - Approve an ordinance awarding an agreement with Motiva Enterprises, LLC, for the purchase of low emission diesel fuel, through an inter-local purchase with the Metropolitan Transit Authority of Harris County, Texas in an amount not to exceed \$15,985,454.00 for the Fleet Management Department.**

### **Specific Explanation:**

The Director of the Fleet Management Department and the Chief Procurement Officer recommend that City Council approve an ordinance awarding an agreement with Motiva Enterprises, LLC (MOTIVA) for the purchase of low emission diesel fuel, for a **nine-month term** under Texas Government Code Chapter 791.025(a) permitting an inter-local purchasing using the Metropolitan Transit Authority's (METRO) existing contract with MOTIVA, **in an amount not to exceed \$15,985,454.00** for the Fleet Management Department. The agreement has one 12-month option that would extend it to September 30, 2019.

The scope of work requires MOTIVA to provide all supervision, labor, part, tools, equipment, permits, insurance, including all applicable hazardous material and fuel certifications promulgated by state and federal regulations, and fueling terminal access necessary to supply, as ordered, low emission diesel fuel (aka low sulfur diesel) to support the City's daily fleet operations. **The scope of services also guarantees the City fuel access during a Hurricane or similar force majeure event.** The fuel ordered will be picked-up by the City's fuel transportation services contractor from MOTIVA fuel loading terminals in Pasadena and Houston and transported to various fuel storage facilities and satellite sites throughout the City of Houston. The Department's estimated usage for low emission diesel is 5,785,967 gallons, which includes Hurricane and force majeure related contingencies.

METRO's contract pricing is analogous to the City's current diesel pricing (Diesel cost is based on the PLATTS Price Index plus a corresponding Fixed Differential).

This recommendation is made pursuant to Chapter 791 of the Texas Local Government Code for exempt procurement.

### **M/WBE Participation:**

M/WBE Zero Percentage Goal document approved by the Office of Business Opportunity.

### **Pay or Play Program:**

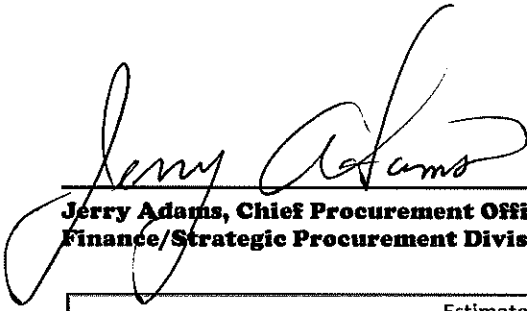
The proposed contract requires compliance with the City's 'Pay or Play' Ordinance regarding health benefits for employees of City contractors. This procurement is exempt from the City's 'Pay or Play' Program because the department is utilizing an Interlocal or Cooperative Purchasing Agreement for this purchase.

### **Hire Houston First:**

The proposed contract requires compliance with the City's Hire Houston First Ordinance that promotes economic opportunity for Houston businesses and supports job creation. This procurement is exempt from the City's Hire Houston First Ordinance because the City is utilizing an Interlocal or Cooperative Purchasing Agreement for this purchase.

### **Fiscal Note:**

Funding for this item is included in the FY 2018 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.



**Jerry Adams, Chief Procurement Officer**  
**Finance/Strategic Procurement Division**

**Department Approval Authority**

Estimated Spending Authority			
DEPARTMENT	FY2018	OUT YEARS	TOTAL
Fleet Management Department	\$4,567,273.00	\$11,418,181.00	\$15,985,454.00

**Amount of Funding:**

**\$15,985,454.00**

Fleet Management Fund  
Fund 1005

**Contact Information:**

NAME:	DEPARTMENT/ DIVISION	PHONE
Martin L. King, Division Manager	FIN/SPD	(832) 393-8705
Victor Ayres, Director	FMD	(832) 393-6901
WeiYao Chang, Asst. Director	FMD	(832) 395-6913

**ATTACHMENTS:**

Description	Type
FMD Fund Cert.	Financial Information
RCA Budget Form	Financial Information
Ordinance	Ordinance/Resolution/Motion