



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 6/13/2019

L25989 – Fuel Transportation Services - ORDINANCE

Agenda Item#:

Background:

Formal Bids Received October 20, 2016 for S12-L25989 - Approve an ordinance awarding contract to Petroleum Express, Inc. in the maximum contract amount not to exceed \$3,463,887.00 for fuel transportation services 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 a contract, with an initial term expiring on October 4, 2020, with (2) one-year options, to Petroleum Express, Inc. in the maximum contract amount not to exceed \$3,463,887.00 for fuel transportation services for the Fleet Management Department. The Chief Procurement Officer may terminate this contract at any time upon 30-days written notice to the contractor.

The scope of work requires the contractor to provide supervision, labor, parts, tools, materials, equipment, supplies, insurance, and maintain all applicable state and federal hazardous material/fuel transport vehicle and driver certifications necessary to transport low emission diesel and unleaded gasoline from loading terminals located in Pasadena and Houston to the various fuel storage sites throughout the City.

This project was advertised in accordance with the requirements of the State of Texas bid laws. Twenty-four prospective bidders downloaded the solicitation document from the Strategic Procurement Division's e-bidding website, and as a result, bids were received from Atlantic Petroleum Resources, Inc., Petroleum Express, Inc., and American Road Transport.

Atlantic Petroleum Resources, Inc. was awarded this contract based on their low bid meeting specifications but has since failed to remain in compliance with the terms and conditions of the awarded contract for fuel transportation services. The Fleet Management Department has recommended to cancel the contract with Atlantic Petroleum Resources, Inc. based on their failure to meet the contractual obligations and award to the second low bidder meeting specifications, Petroleum Express, Inc.

M/WBE Subcontracting:

This bid was issued with an 11% goal for M/WBE participation. Petroleum Express, Inc. has designated the below-named company as its certified M/WBE subcontractor.

<u>Name</u>	<u>Type of Work</u>	<u>Percentage</u>
Jaguar Fueling Services, LLC.	Delivery of Diesel/Gasoline	11%

This award will be monitored by the Office of Business Opportunity.

Hire Houston First:

The proposed award requires compliance with the City's "Hire Houston First" (HHF) ordinance that promotes economic opportunity for Houston businesses and supports job creation. In this case Petroleum Express, Inc. does not meet the requirements for HHF designation; no HHF firms were within three percent.

Fiscal Note:

Funding for this item is included in the FY 2020 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

6/24/2019

DocuSigned by:
Jerry Adams
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Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

DocuSigned by:
Victor Ayres
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Department Approval Authority Signature

6/24/2019

Estimated Spending Authority:

Department	FY 2020	Out Years	Total
Fleet Management Department	\$1,443,286.30	\$2,020,600.70	\$3,463,887.00

Amount of Funding:

\$3,463,887.00
Fleet Management Fund
Fund No.: 1005

Contact Information:

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ATTACHMENTS:

Description	Type
OBO - MWBE Letter of Intent	Backup Material
Form A - Campaign Finance Ordinance	Backup Material
Form B	Backup Material
Affidavit of Ownership	Backup Material
Agreement - Petroleum Express Inc	Backup Material
Bid Tab	Backup Material
Funding	Financial Information