



CITY COUNCIL AGENDA STATEMENT



August 25, 2020

File ID: 20-0286

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A COOPERATIVE PURCHASING AGREEMENT WITH SC COMMERCIAL, LLC (DBA THE SOCO GROUP) AUTHORIZING THE PURCHASE OF MOTOR VEHICLE FUEL, ON AN AS-NEEDED BASIS, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF REQUEST FOR PROPOSAL NUMBER 10089315-18-K AND THE COOPERATIVE AGREEMENT WITH THE CITY OF SAN DIEGO, IN A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$4,000,000 THROUGH APRIL 30, 2024

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

Gasoline and biodiesel are purchased annually for use in City vehicles and equipment. The City of San Diego issued a Request for Proposal (RFP) and awarded a contract for the purchase of various motor vehicle fuels. The City of Chula Vista Municipal Code Section 2.56.140 and Resolution No. 6132 authorize the Purchasing Agent to participate in cooperative bids with other government agencies for the purchase of materials of common usage. The City of San Diego participated in a competitive bid process. The City now has an opportunity to participate in the current City of San Diego bid which contains favorable terms and pricing.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

DISCUSSION

The City of San Diego issued a Request for Proposal (RFP) for fuel which was publicly advertised and posted on PlanetBids. The SC Commercial, LLC (dba The SoCo Group) was one of one hundred forty-five (145) potential proposers that were contacted by the City of San Diego, and one of five bids that were received. The City of San Diego staff conducted an extensive analysis and evaluation of the proposals that were received, and determined that the proposal submitted by The Soco Group to provide motor vehicle fuel to be the best overall value and in the best interest of the City of San Diego. The City of Chula Vista was named in the RFP as a participating agency, one of twenty-four (24) agencies in addition to the City of San Diego, so that the

proposers would be aware of our intention to purchase fuel under this agreement. The table below lists the participating agencies.

Participating Agencies
Chula Vista Elementary School District
City of Carlsbad
City of Chula Vista
City of Coronado
City of Escondido
City of La Mesa
City of San Diego
City of Santee
County of San Diego
Escondido Union High School District
La Mesa Spring Valley School District
Metropolitan Transit System
Port of San Diego
Rancho Santa Fe Fire Protection District
San Diego Community College
San Diego County Office of Education
San Diego Metropolitan Transit System
San Diego State University
San Diego Unified School District
San Dieguito Union High School District
South Bay Union School District
Sweetwater Authority
Sweetwater Union High School District
Valley Center-Pauma USD
Zoological Society of San Diego

The price of the fuel is determined on the date of delivery and is based on the Oil Price Information Service (OPIS) “Unbranded Low Rack” fuel price benchmark for San Diego. The “Unbranded Low Rack” is a snapshot of the lowest supplier posting in the OPIS rack market for the day. The RFP required contractors to propose a Market Differential for the OPIS Rack market for each given delivery item listed in the RFP. The Market Differential is a four-digit decimal numerical value, that is added to the benchmark index for the price of a given fuel product. The market differential includes all cost and profit components determined by the contractor, excluding any applicable fuel taxes. The rack price plus the market differential is the total price to be paid by the City upon delivery of fuel. To ensure the City is receiving the best possible price, staff will monitor the fuel delivery invoices and the OPIS rack market price daily.

The City of San Diego approved a five-year contract (expiring April 2024) with The SoCo Group via City of San Diego Resolution Number 312290 (Attachment 2). Staff recommends that The SoCo Group also be awarded the cooperative purchasing agreement with the City of Chula Vista as the lowest responsive bidder,

in accordance with the terms and conditions of Request for Proposal number 10089315-18-k and the cooperative agreement with the City of San Diego, with a not-to-exceed total contract amount of \$4,000,000 through the term of the contract, which expires in April 2024.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Funds have been budgeted in the Central Garage fund for the purpose of purchasing motor vehicle fuel. There is no additional fiscal impact from approving this resolution.

ONGOING FISCAL IMPACT

Any purchases as part of this authorization will be incorporated into future budgets as part of the normal budget development process.

ATTACHMENTS

1. City of San Diego Resolution 312290

Staff Contact: Tessa Nguyen, Senior Management Analyst