



AGENDA REPORT

Public Works

DATE:	November 19, 2024
TO:	Mayor Martinez and Members of the City Council
FROM:	Daniel Chavarria, Director of Public Works Tawfic Halaby, Deputy Director of Public Works – Operations & Maintenance
Subject:	Resolution to Award a Contract with Pinnacle Petroleum, Inc., for Bulk Fuel Delivery Services
FINANCIAL IMPACT:	The proposed expenditure of \$4,500,000 for the duration of the three-year contract and \$1,500,000 for each of the two, one-year extension years with the approval of the Public Works Director will be funded from the Public Works operating budget (Account String: 01235031-400365).
PREVIOUS COUNCIL ACTION:	None
STATEMENT OF THE ISSUE:	The current contract for bulk fuel delivery services is set to expire December 31, 2024. Approving the resolution for this contract would provide for uninterrupted service delivery for the entire fleet of City vehicles.
RECOMMENDED ACTION:	ADOPT a resolution to award a three-year contract to Pinnacle Petroleum, Inc., the lowest responsive and responsible bidder, for bulk fuel delivery services, effective January 1, 2025, for a total not to exceed amount of \$4,500,000 over the three-years with two optional one-year extensions for a total amount of \$1,500,000 per year – Public Works Department (Tawfic Halaby 510-620-5482 / Daniel Chavarria 510-620-5478)

DISCUSSION:

The Equipment Services Division provides fuel for all city vehicles, including safety vehicles. The current bulk fuel delivery services contract expires on December 31, 2024. On September 25, 2024, the City advertised the Request for Bids through the City’s BidsOnline procurement portal.

On October 9, 2024, the City received six bids (Attachment 3). Following is the initial canvass of bids, in order of increasing bid prices (Attachment 4):

Responsive Bidder	Unleaded Gasoline Mark-Up (per gallon)	Renewable Diesel Mark Up (per gallon)
Pinnacle Petroleum, Inc.	1-999 gal: - \$0.0285	1-999 gal: - \$0.0693
	1,000-1,999 gal: - \$0.0435	1,000-1,999 gal: - \$0.0843
Bosco Oil, Inc., dba Valley Oil Company	1-999 gal: + \$0.1190	1-999 gal: + \$0.1290
	1,000-1,999 gal: + \$0.0890	1,000-1,999 gal: + \$0.1090
Merrimac Energy Group	1-999 gal: + \$0.1398	1-999 gal: + \$0.1398
	1,000-1,999 gal: + \$0.1098	1,000-1,999 gal: + \$0.1098
Ramos Oil Company, Inc.	1-999 gal: + \$0.1500	1-999 gal: + \$0.1500
	1,000-1,999 gal: + \$0.1300	1,000-1,999 gal: + \$0.1400
AAA Oil, Inc., dba California Fuels & Lubricants	1-999 gal: + \$0.2656	1-999 gal: + \$0.2656
	1,000-1,999 gal: + \$0.1709	1,000-1,999 gal: + \$0.1709
World Fuel Services, Inc.	1-999 gal: + \$0.3300	1-999 gal: + \$0.3300
	1,000-1,999 gal: + \$0.3000	1,000-1,999 gal: + \$0.3000

In accordance with the City’s Richmond Business Opportunity Ordinance (Ordinance 16-12 N.S.), no bidder received incentive points for bid comparison purposes. After application of no incentive points for bid comparison purposes, it was determined that Pinnacle Petroleum, Inc., was the lowest responsive and responsible bidder.

City staff recommends City Council adopt the resolution awarding the contract to Pinnacle Petroleum, Inc., the lowest responsive and responsible bidder (Attachment 1 and 2).

SYNERGISTIC POLICIES:

DOCUMENTS ATTACHED:

Attachment 1 – Resolution

Attachment 2 – Proposed Contract

Attachment 3 – Bids

Attachment 4 – Bid Analysis