

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO CANCEL THE EXISTING AGREEMENT AND ISSUE A NEW BLANKET PURCHASE ORDER TO PROTEC FUEL MANAGEMENT, LLC FOR THE SUPPLY AND DELIVERY OF E-85 FLEX-FUEL FOR AN ESTIMATED ANNUAL EXPENDITURE OF \$885,000.00.

WHEREAS, in connection with its various municipal functions, the City requires the utilization of motor fuel for its vehicle fleet, which provides the opportunity for the City to consider more environmentally green fuel alternatives, such as flex-fuel products, to meet the City's Environmental Sustainability and alternative fuel goals; and

WHEREAS, on December 14, 2016, the City Commission passed and adopted Resolution No. R-2016-361, authorizing the issuance of a Blanket Purchase Order to Protec Fuel Management, LLC ("Protec") for a five year term to supply E-85 flex-fuel for an estimated annual expenditure of \$350,000; and

WHEREAS, Protec was awarded the Biofuels Infrastructure Partnership under the Department of Agriculture, an alternative fuel funding program in which they were the only recipient in the State of Florida offering this incentive program; and

WHEREAS, through this funding initiative, Protec retro-fitted a portion of the City's Central Fuel Facility to accommodate the dispensing of E-85 flex-fuel on a conditional no-cost basis to the City, resulting in savings of \$27,487.95; and

WHEREAS, on March 21, 2018, the City Commission passed and adopted Resolution No. R-2018-086, authorizing an increase in the contractual annual amount for the remainder of the current term and remaining renewals to meet the annual E-85 flex-fuel needs, which included fuel necessary for emergency preparedness and recovery, increased inventory of fleet vehicles that utilize E-85 flex-fuel, and fluctuating fuel costs; and

WHEREAS, the Department of Public Works is currently transitioning additional vehicles from unleaded fuel to include more fuel efficient and alternative fueled vehicles and is forecasting utilizing more E-85 flex-fuel; and

WHEREAS, the Department of Public Works has determined that the increased usage of E-85 flex-fuel has correlated with a significant decrease in the consumption of unleaded fuel; and

WHEREAS, Protec is a locally-based, nationally operated provider of motor fuel, and through its affiliation with and support of the South Florida Clean Cities Coalition, has offered to continue to supply E-85 flex-fuel at favorable contracted pricing based upon a formula established by reference to the Oil Price Information Service (OPIS) daily average posting for unbranded 87E10 gasoline based on prevailing market conditions; and

WHEREAS, the pricing for E-85 flex-fuel offered by Protec is currently ranging around \$2.04 per gallon, \$0.42 cents less than 87E10 unleaded gasoline, which is currently being offered at \$2.46 per gallon under the South East Florida Governmental Purchasing Cooperative Group Contract, which the City is currently utilizing for its fueling needs; and

WHEREAS, the bulk of Protec E-85 flex-fuel supply is delivered by railcar, sourced from various production plants in the United States, which greatly enhances the delivery of fuel during emergency operations; and

WHEREAS, Protec's emergency fueling plan enables the City to continue to receive E-85 flex-fuel by railcar, which proved to be instrumental to the City's recovery efforts during Hurricane Irma when the Port Everglades terminal was closed and unleaded fuel delivery was suspended; and

WHEREAS, approximately 55% of the City's unleaded fueling quantity is being utilized by E-85 compatible vehicles in the fleet, a total of 434 vehicles (351 vehicles for Police and 83 vehicles for non-Police vehicles), and making the E-85 flex-fuel available will significantly and immediately improve the City's environmental sustainability and alternative fuel goals; and

WHEREAS, during the contract term, should another vendor supply E-85 flex-fuel at more favorable pricing, Protec will be given the opportunity to match the price, and if Protec is unwilling to match the price, the City may choose to obtain the E-85 flex fuel from the more competitive source; and

WHEREAS, since the projected increased usage has changed the scope of the current contract substantially, the Department of Public Works seeks to cancel the existing purchase order without penalty, and it is in the best interest of the City to issue a new purchase order with the increased amount estimated at \$885,000.00 per year; and

WHEREAS, the new purchase order will cover the remainder of the five year term of the original purchase order issued to Protec pursuant to Resolution No. R-2016-361; and

WHEREAS, Section 38.40(C)(8) of the Code of Ordinances exempts from competitive bidding and competitive proposals purchases of, and contracts for, supplies or contractual services, when the City Commission declares, by a five-sevenths (5/7ths)

affirmative vote, that competitive bidding and competitive proposals are not in the best interest of the City; and

WHEREAS, funding for the new purchase order has been appropriated and exists in account numbers 557.510101.51900.552110.000000.000.000 and 557.510101.51900.552610.000000.000.000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Resolution.

Section 2: That it approves and authorizes the cancellation, by the appropriate City officials, of the existing blanket purchase order with Protec Fuel Management, LLC.

Section 3: That it approves and authorizes the issuance, by the appropriate City officials, of a new blanket purchase order with Protec Fuel Management, in a form acceptable to the City Manager and approved as to form and legal sufficiency by the City Attorney.

Section 4: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2018.

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY for the use and reliance of
the City of Hollywood, Florida, only.

DOUGLAS R. GONZALES, CITY ATTORNEY