

**CITY OF HOLLYWOOD
INTEROFFICE MEMORANDUM**

TO: Mayor and Commissioners

DATE: November 23, 2016

FROM: Jeffrey P. Sheffel, City Attorney

SUBJECT: Proposed Agreement with ProTec Fuel Management, LLC for Installation of Retro-fit Dispensing System and Supply of Ethanol-Blend Fuel

I have reviewed the above-captioned agreement for form and legality, and the general business terms and other significant provisions are as follows:

- 1) Department/Office involved – Public Works
- 2) Type of Agreement – Ethanol-Blend Fuel Supply Agreement
- 3) Method of Procurement (RFP, bid, etc.) – “Best interest” exemption
- 4) Term of Contract
 - a) initial – 5 yrs.
 - b) renewals (if any) –
 - c) who exercises option to renew –
- 5) Contract Amount – \$350,000/yr. (est.)
- 6) Termination rights – City can terminate without cause by giving 30 days’ notice, but City would then have to pay to Vendor the prorated amount of \$27,487.95 (Vendor’s cost of installing the Retro-fit Dispensing System), based on the date of early termination.
- 7) Indemnity/Insurance Requirements – Vendor will indemnify City and provide insurance.
- 8) Scope of Services – Vendor will install the Retro-fit Dispensing System and sell E-85 Flex Fuel to City.
- 9) City’s prior experience with Vendor – None.
- 10) Other significant provisions – If another vendor sells this type of fuel at a price more than 3% lower than Vendor’s price, there is a procedure for Vendor to have the right to match the price. If Vendor does not match within the designated time period, City may buy from the other vendor.

cc: Wazir A. Ishmael, Ph.D., City Manager