

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: November 28, 2016

BIS 17 – 058

FILE: TMP-2016-605

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE THE ATTACHED ETHANOL-BLEND FUEL SUPPLY AGREEMENT AND ISSUE THE ATTACHED BLANKET PURCHASE ORDER BETWEEN PROTEC FUEL MANAGEMENT, LLC AND THE CITY OF HOLLYWOOD, AS A BEST INTEREST EXEMPTION, FOR THE RETRO-FITTING OF THE CITY'S CENTRAL FUELING FACILITY TO ACCOMMODATE THE DISPENSING OF THE ENVIRONMENTALLY GREEN, ETHANOL-BASED "E-85" FLEX FUEL AND PURCHASE OF E-85 FLEX-FUEL AT FAVORABLE PRICING, AT AN ESTIMATED ANNUAL E-85 FUEL EXPENDITURE AMOUNT OF \$350,000.

Statement of Budget Impact:

1. No Budget Impact associated with this action;
2. Sufficient budgetary resources identified/available;
3. Budgetary resources not identified/unavailable;
4. Potential Revenue is possible with this action;
5. Will not increase the cost of Housing;
6. May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks authorization for the appropriate City Officials to execute the attached Ethanol Blend Fuel Supply Agreement and issue the attached Purchase Order (PO) to Protec Fuel Management, LLC to retro fit the City's Central Fueling Facility and to provide environmental green Ethanol Based E-85 Flex Fuel in an estimated annual amount of \$350,000.00.

Protec was awarded the Biofuels Infrastructure Partnership under the Department of Agriculture, an alternative fuel funding program in which they are the only recipient in

the State of Florida offering this funding incentive program, and through this funding initiative will retro-fit the City's Central Fuel Facility to accommodate the dispensing of E-85 flex fuel on a conditional no-cost basis to the City which is a direct savings of \$27,487.95. The attached Agreement stipulates that with the acceptance of the funding allocation the City makes E-85 flex fuel available to its fleet for a minimum term of 5 years and further agrees to purchase from Protec, on a non-exclusive basis and at favorable contracted pricing. Protec is offering E-85 fuel pricing that will be at discounted pricing based upon a formula established by reference to the Oil Price Information Service (OPIS) daily average posting for unbranded 87E10 gasoline based upon prevailing market conditions, and the pricing for E-85 flex fuel offered by Protec is currently ranging around .32 cents per gallon less than 87E10 unleaded gasoline and the pricing being offered by Protec is approximately .70 cents less than what is currently being offered under the South East Florida Governmental Purchasing Cooperative Group Contract, which the City is currently utilizing for its fueling needs. During the contract term, should another vendor supply E-85 flex fuel at more favorable pricing, the City may choose to obtain the E-85 flex fuel from the more competitive source

Purchasing Ordinance 38.40(C)(8) provides that Purchases of, and contracts for, supplies or contractual services, when the City Commission declares by five-seven (5/7ths) vote that competitive bidding is not in the best interest of the City are exempt from the competitive bidding process and this should qualify as a "Best Interest Exemption."

The implementation of the fuel dispensing upgrades are for an initial five (5) year term to supply E-85 fuel however the City of Hollywood can option out after thirty (30) days with the requirement to pay off the balance of the \$27,487.95 installation costs of the Retro-fit Dispensing System.

Funding for the attached blanket purchase order has been provided in the Fiscal Year 2017 Operating Budget in the Department of Public Works Fleet Services Account Number 57.5101.00105.590.005211 – Motor Fuel/Oil and will be budgeted in subsequent fiscal years subject to the passage and adoption of each subsequent fiscal year's Operating Budget by the City Commission.

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