

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AN ETHANOL-BLEND FUEL SUPPLY AGREEMENT WITH PROTEC FUEL MANAGEMENT, LLC FOR THE SUPPLY AND DELIVERY OF ENVIRONMENTALLY GREEN ETHANOL-BASED E-85 FLEX FUEL FOR A FIVE YEAR TERM FOR AN ESTIMATED ANNUAL EXPENDITURE OF \$950,000.00 BASED UPON SECTION 38.41(C)(9) OF THE PROCUREMENT CODE (BEST INTEREST).

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, Protec Fuel Management, LLC ("Protec") is a locally-based, nationally operating provider of motor fuel, and through its affiliation with and support of the South Florida Clean Cities Coalition, offered to supply the E-85 flex fuel, provided funding support in partnership with the United States Department of Agriculture to cover the complete cost for the installation of the fueling dispenser system and supporting infrastructure modifications that facilitates the City's use of the E-85 flex fuel for the City's fleet at the City Central Fueling facility located at 1600 South Park Road; 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 for a five year term to supply E-85 flex fuel for an estimated annual expenditure of \$350,000.00; 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 through this funding initiative, Protec retrofitted 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, which is a direct savings of \$27,487.95; and

WHEREAS, by fueling the City's Flex Fuel Vehicles with lower-cost E-85 from April 2020 to June 2021, the City saved over \$60,000.00; 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 use 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 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 \$2.1118 per gallon, \$0.40 cents less than 87E10 unleaded gasoline, which is currently being offered at \$2.5118 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 and sourced from various productions plants in the United States, which greatly enhances the delivery of fuel during emergency operations; and

WHEREAS, Protec's emergency fueling plan enabled 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 fuel 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, pursuant to Section 38.41(C)(9) of the Procurement Code, purchases of and contracts for goods, supplies, materials, equipment or services, when the Commission declares by a 5/7ths affirmative vote that competitive bidding and competitive proposals are not in the best interest of the City, are exempt from the competitive bidding requirements of the Procurement Code; and

WHEREAS, the City Commission shall not use this exemption in an arbitrary or capricious manner but shall use it only in rare situations after making specific factual findings that support its determination that competitive bidding and competitive proposals are not in the best interest of the City; and

WHEREAS, funding in the amount of \$950,000.00 is available in the FY 2022 Adopted Operating Budget in account numbers 557.500101.14100.141220.000000.000.000 and 557.510101.51900.55260.000000.000.000 and will be budgeted in subsequent fiscal year's operating budget subject to approval and adoption by the City Commission.

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 execution, by the appropriate City officials, of an Ethanol-Blend Fuel Supply Agreement with Protec Fuel Management, LLC, together with such non-material changes as may be subsequently agreed to by the City Manager and approved as to form and legal sufficiency by the City Attorney.

Section 3: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this _____ day of _____

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