



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2018-385, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The Appropriate City Officials To Cancel The Existing Agreement And Issue The Amended Blanket Purchase Order To Protec Fuel Management, LLC (Protec) For The Supply And Delivery Of E-85 Flex-Fuel For An Estimated Annual Expenditure Of \$885,000.00.

Staff Recommends: Approval of the attached Resolution

Explanation:

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.

On December 14, 2016, the City Commission passed and adopted Resolution number R-2016-361, authorizing the issuance of a Blanket Purchase Order to Protec Fuel Management, LLC for a five year term to supply E-85 flex-fuel for an estimated annual expenditure of \$350,000.00.

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; 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 was a direct savings of \$27,487.95.

On March 21, 2018, the City Commission passed and adopted Resolution number 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.

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.

The Department of Public Works has determined that the increased usage of E-85 flex-fuel has correlated with the significant decrease in the consumption of unleaded fuel. Prior to E-85 in FY16, over 500,000 gallons of unleaded fuel was used. In FY18, only 150,000 gallons was used.

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.

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.

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

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 Port Everglades terminal was closed and unleaded fuel delivery was suspended.

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.

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.

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.

Funding for the attached agreement has been appropriated and exists in account numbers 557.510101.51900.552110.000000.000.000 and 557.510101.51900.552610.000000.000.000.

Recommended for inclusion on the agenda by:

Dr. Wazir A. Ishmael, City Manager

George R. Keller, Jr. CPPT, Assistant City Manager, Public Safety

Sylvia Glazer, Director, Department of Public Works Director

Paul Bassar, Director, Procurement & Contract Compliance