

MEMORANDUM

TO: Governing Board Members

FROM: Tommy B. Strowd, P.E., Division Director, Operations, Maintenance & Construction Division

DATE: August 9, 2012

SUBJECT: 4600002712- Yearly Fuel Price Agreement – O&M Pump Stations

Background:

To establish a price agreement for number 2 ultra low sulphur diesel fuel, based on the gross average Oil Price Information Service (OPIS), plus the fixed price increment, which remains firm for the price agreement period of one year with 2 one-year renewal options. This agreement includes diesel fuel delivery service to the pump stations noted within the price agreement.

How this helps meet the District's 10-year Strategic Plan:

Diesel fuel is required for all pump stations to run pumps for the movement of water and for use in off-road equipment to perform District core functions throughout the 16 county region.

Funding Source:

The lowest responsive and responsible bidder is BV Oil Company, Incorporated with a not-to-exceed amount of \$225,000 in FY12 (September only), \$2,500,000 for FY13 and \$8,000,000 for all 3 years. For which \$225,000 is budgeted using ad valorem funds (Okeechobee Basin Funds) and dedicated funds (STA O&M Fund) within various Field Stations budgets and the remainder is subject to Governing Board approval of the FY13-FY15 budgets.

This Board item impacts what areas of the District, both resource areas and geography:

This Item impacts the Operations, Maintenance and Construction Division within the 16 county region for movement of water throughout the District.

What concerns could this Board item raise?

This Request for Bids (RFB) followed standard procurement procedures. The lowest responsive and responsible bidder was selected for this price agreement.

Why should the Governing Board approve this item?

Diesel fuel is required to perform daily core mission activities along with required maintenance throughout the 16 county region by the Operations & Maintenance Organization.