

**Memorandum #10-87**

**To:** Doug Russell, City Manager  
**From:** Dave Leyden, Public Services Manager  
**Subject:** 2010-2011 Annual Supply of Petroleum and Transport/Tankwagon Petroleum Products  
**Date:** June 4, 2010

Bids were received for the City's "Annual Supply of Petroleum and Transport-Tankwagon Petroleum Products" (fuel bids). The bids received represent the suppliers handling costs (profit margin), which are added to the OPIS (Oil Price Information Service) daily published price on the date the product is ordered.

With the volatile fuel market in recent years, the City began using OPIS in July of 2000. This service is faxed into the Fleet Supervisor at the Central Garage twice daily. With this information the price for fuel that day is set and the specific fuel product is ordered.

Three bids were received for handling fuel products. Two of the bidders provided the fuel product handling bid outlined on the tabulation below. One of the bidders submitted a conditioned bid that did not meet the specifications.

One bid was received for the petroleum lubrication products for the items routinely used at Central Garage.

The low bidders' bids for fuel handling and petroleum lubrication products reflect modest adjustments over the last year.

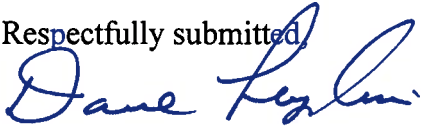
City Staff recommends that following items be awarded to the suppliers listed below.

| <b>Transport/Tankwagon<br/>Petroleum Products:</b> | <b>Supplier</b>    | <b>Proposed 10-11<br/>Price</b> | <b>2009-2010<br/>Price</b> |
|--|--------------------|---------------------------------|----------------------------|
| Gasoline – Lead Free (Transport)                   | Stern Oil Co., Inc | <b>\$.02250 gal.</b>            | \$.02250                   |
| - Lead Free (Tankwagon)                            | Stern Oil Co., Inc | <b>\$.0965 gal.</b>             | \$.0965                    |
| <b>Diesel Fuel:</b>                                |                    |                                 |                            |
| <b>Dyed:</b>                                       |                    |                                 |                            |
| No. 1 (Transport)                                  | Stern Oil Co., Inc | <b>\$.0800 gal</b>              | \$.0800                    |
| No. 1 (Tankwagon)                                  | Stern Oil Co., Inc | <b>\$.1700 gal.</b>             | \$.1700                    |
| No 2 (Transport)                                   | Stern Oil Co., Inc | <b>\$.02250 gal.</b>            | \$.02250                   |
| No. 2 (Tankwagon)                                  | Stern Oil Co., Inc | <b>\$.1200 gal.</b>             | \$.1200                    |
| No 1 & No. 2 50/50 Mix (Transport)                 | Stern Oil Co., Inc | <b>\$.0800 gal.</b>             | \$.0800                    |
| No. 1 & No.2 50/50 Mix (Tankwagon)                 | Stern Oil Co., Inc | <b>\$.1700 gal.</b>             | \$.1700                    |
| <b>Clear or Hwy</b>                                |                    |                                 |                            |
| No. 1 (Transport)                                  | Stern Oil Co., Inc | <b>\$.0800 gal.</b>             | \$.0800                    |
| No. 2 (Transport)                                  | Stern Oil Co., Inc | <b>\$.02250 gal.</b>            | \$.02250                   |
| No. 1 & No. 2 50/50 Mix (Transport)                | Stern Oil Co., Inc | <b>\$.0800 gal.</b>             | \$.0600                    |

*Petroleum Products:*

|                                  |                  |                     |        |
|----------------------------------|------------------|---------------------|--------|
| Motor Oil SAE 15W-40-EO-L (Drum) | Gerstner Oil Co. | <b>\$8.35 gal.</b>  | \$6.56 |
| Motor Oil SAE 5W-20 (Drum)       | Gerstner Oil Co. | <b>\$6.69 gal.</b>  | \$6.23 |
| Motor Oil SAE 5W-30 (Drum)       | Gerstner Oil Co. | <b>\$6.68 gal.</b>  | \$5.75 |
| Hydraulic Oil (55 gal. Drum)     | Gerstner Oil Co. | <b>\$5.90 gal.</b>  | \$5.00 |
| Dextron VI Oil (30 gal. Drum)    | Gerstner Oil Co. | <b>\$11.73 gal.</b> | \$6.50 |
| Mobile Fluid 424 (30 gal. Drum)  | Gerstner Oil Co. | <b>\$9.90 gal.</b>  | \$7.34 |

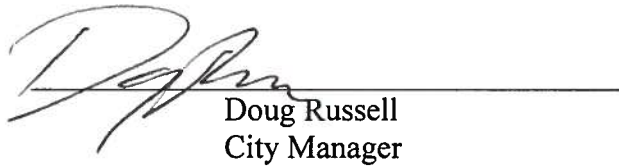
Respectfully submitted,



Dave Leyden  
Public Services Manager

**Recommendation: It is recommended that the City Commission award the bids to the corresponding suppliers listed above as detailed in Memorandum #10-87.**

I concur with this recommendation  
 I do not concur with this recommendation



Doug Russell  
City Manager

cc: Kevin Kuhl PE