



CITY COUNCIL AGENDA REPORT



DEPARTMENT: Public Works

MEETING DATE: May 14, 2002

PREPARED BY: David Fike
Director of Public Works

AGENDA LOCATION: *1 - 5

TITLE: One Year Extension of Contract; Purchase and Delivery of Gasoline and Diesel Fuel from Mercury Air Group Inc. and Merrimac Energy Group in the Amount of \$140,000.00.

OBJECTIVE: Secure services for the purchase and delivery of gasoline and diesel fuel for fiscal year 2002-2003

BACKGROUND: The Public Works Department Facilities Division is responsible to provide motor fuels for City vehicles, the Monrovia Unified School District, and the Metropolitan Cooperative Library System.

To ensure that the City pays a fair price for the fuels it purchases our bid specification includes the use of the Oil Price Information Service (OPIS) average per gallon cost as the base price. The Bidder is required to provide a quote for the delivery of fuel using the OPIS average price as the base price with a plus or minus monetary amount for its' delivery.

In July 1996, bids were solicited from seven (7) vendors known to provide motor fuels in the quantities used by the City. The bid results indicated that the lowest responsive bidders were as follows:

<u>Vendor</u>	<u>Product</u>	<u>Delivery Price Per Gallon</u>
1. Merrimac Energy Group	Diesel	OPIS Average Plus \$0.00212
2. Mercury Air Group	Premium Gasoline	OPIS Average Minus \$0.0364

On August 6, 1996 the City Council awarded contracts to Merrimac Energy Group and Mercury Air Group for the purchase of motor fuels.

ANALYSIS: Mercury Air Group and Merrimac Energy Group have agreed to continue to provide the appropriate motor fuel under the same terms and provisions as included in the original contract.

FISCAL IMPACT: Funds are available through the Facilities Division Funds.

***1 - 5**

RECOMMENDATION: Staff recommends that the City Council approve a one (1) year contract extension for the purchase of motor fuels with Mercury Air Group and Merrimac Energy Group

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to:

1. Approve a one (1) year contract extension to Mercury Air Group, Inc. (5456 McConnell Avenue, Los Angeles, CA 90066) in the amount of \$100,000 for the purchase of premium gasoline; and
2. Approve a one (1) year contract extension to Merrimac Energy Group (444 West Ocean Boulevard, #1106, Long Beach, CA 90802) in the amount of \$40,000 for the purchase of diesel fuel

Respectfully submitted,



David Fike, Director of Public Works

Amendment No 3
For The Purchase of Premium Unleaded Gasoline
(City of Monrovia and Mercury Air Group Inc)

This Contract Amendment is made and entered into as of _____, 20____,
by and between the City of Monrovia (City), a Municipal Corporation and Mercury Air
Group Inc (Contractor), a California corporation

Recitals

- A City and Contractor are parties to a contract for the purchase of premium unleaded gasoline dated June 1, 1999 (contract)
- B City and Contractor desire to extend the contract for one additional year.

Now, therefore, and for and in consideration of the covenants, conditions and promises contained herein, the parties hereby amend the contract as follows:

- 1 Services - Shall read as follows
The Contractor shall perform those services set forth in the Contractor's proposal, which is attached hereto as Exhibit "A", and incorporated herein by reference Contractor shall provide premium unleaded gasoline, which complies with all State and Federal manufacturing and safety requirements and industry standards, from July 1, 2002 to June 30, 2003

- 2 Reaffirmation of other terms

Except as modified or changed herein, all of the terms and provisions of the contract and previous amendments shall remain in full force and effect.

In Witness Whereof, the parties have executed this contract as of the date first written above

City
By _____
Lara Larramendi Blakely, Mayor

Approved As To Form

By _____
Craig A Steele, City Attorney

Attest
By _____
Linda Proctor, CMC, City Clerk

Mercury Air Group Inc

By _____

By _____

Corporate Secretary

Amendment No 3
For The Purchase of Diesel Fuel
(City of Monrovia and Merrimac Energy Group)

This Contract Amendment is made and entered into as of _____, 20____, by and between the City of Monrovia (City), a Municipal Corporation and Merrimac Energy Group (Contractor), a California corporation

Recitals

- A City and Contractor are parties to a contract for the purchase of diesel fuel dated June 1, 1999 (contract)
- B City and Contractor desire to extend the contract for one additional year

Now, therefore, and for and in consideration of the covenants, conditions and promises contained herein, the parties hereby amend the contract as follows

1 Services - Shall read as follows
The Contractor shall perform those services set forth in the Contractor's proposal, which is attached hereto as Exhibit "A", and incorporated herein by reference Contractor shall provide number 2 diesel fuel, which complies with all State and Federal manufacturing and safety requirements and industry standards, from July 1, 2002 to June 30, 2003

2 Reaffirmation of other terms

Except as modified or changed herein, all of the terms and provisions of the contract and previous amendments shall remain in full force and effect

In Witness Whereof, the parties have executed this contract as of the date first written above

City
By _____
Lara Larramendi Blakely, Mayor

Attest
By _____
Linda Proctor, CMC, City Clerk

Approved As To Form
By _____
Craig A Steele, City Attorney

Merrimac Energy Group
By _____

Title
By _____

Corporate Secretary