

Issue Analysis Form



Date: September 24, 2019
Award of Contract – Quarles
Petroleum [Gasoline and
Diesel Fuel]
Item:
Lead Department(s): General Services & Finance
Contact Person(s): Mike Purvis & Betsy Drewry

Description and Current Status

Award of Contract – Quarles Petroleum at State Contract #E194-73737 pricing.

Our current cooperative contract renewal with **James River Solutions** for **gasoline and diesel fuel** under the City of Manassas contract #16B004C expires on October 31, 2019. The Procurement Officer and General Services explored available options for gasoline and diesel fuel purchasing.

Fuel contracts are awarded on differential / “mark-up” from OPIS pricing due to the fluctuation in fuel prices. A comparison of one recent gasoline and one recent diesel delivery to a variety of available cooperative contract options was performed and is shown as **Attachment 1**. This comparison is based solely on fuel differential and is net of any applicable fees.

Available options are:

Current City of Manassas Contract 16004C – James River Solutions
State Contract #-194-73737 – Quarles
Hanover County Contract # 10-032306-2078 – Quarles
Chesterfield County Contracts # ADMN18000233 & ADMN18000235 – PAPCO
Henrico County Contracts #15-9816-6RB & #17-1518-9EAR - PAPCO

Staff does not believe that better pricing could be obtained by preparing an individual local bid, as the state has larger bargaining power.

Staff's recommendation is to use the **state contract #E-194-73737 with Quarles Petroleum** based on this comparison to obtain the best differential pricing. The latest state renewal runs through January 5, 2020, with six (6) additional annual renewals available.

Resolution authorizing County Administrator to issue award of contract to Quarles Petroleum is provided for board consideration.

Government Path

Does this require IDA action?

Yes No

- Does this require BZA action? Yes No
- Does This require Planning Commission Action? Yes No
- Does this require Board of Supervisors action? Yes No
- Does this require a public hearing? Yes No
- If so, before what date? Yes No

Fiscal Impact Statement

There is limited/no **added** fiscal impact to the County and in fact, we will likely realize a reduction in spending for gasoline and diesel fuel if market trends are similar. [Total per gallon pricing is subject to increase with market conditions].

County Impact

The County currently owns all gasoline and diesel tanks and should not experience a disruption in service. The Director of General Services and Fleet Manager will have over one month to determine delivery logistics if award is made to Quarles on September 24.

County participation in state contracts potentially improves/reduces prices paid with larger state-wide bargaining power.

Notes

9-12-2019 Fuel Cost Comparison

Coop Contract Locality Contract # Vendor	City of Manassas 168004C James River Solutions		VA State E-194-73737 Quarles		Hanover County 10-032306-2078 Quarles	
	Gasoline #7	Diesel	Gasoline #7	Diesel	Gasoline #7	Diesel
Rate from	OPIS	OPIS	DGS Daily Fuel Price List	DGS Daily Fuel Price List	OPIS	OPIS
Date for Rate	6/18/2019	5/31/2019	6/18/2019	5/31/2019	6/18/2019	5/31/2019
Vendor rate per gallon	1.8634	2.4952	\$1.6720	Vendor rate per gallon	1.8634	Vendor rate per gallon
Differential	0.0850	0.0850	\$0.0813	Differential	0.1218	Differential
Cost per gallon	1.9084	2.5802	\$1.7533	Cost per gallon	2.5009	Cost per gallon
6,933 gallons ordered	\$13,230.94	\$17,681.26	\$12,016.97	6,933 gallons ordered	\$17,499.27	\$13,854.91
			Comparison to JRS Contr	Comparison to JRS Contr	Comparison to JRS Contr	Comparison to JRS Contr
			-\$1,214.97	-\$181.99	\$623.97	\$1,713.84

Coop Contract Locality Contract # Vendor	Chesterfield County ADMIN18000233 PAPCO		Henrico County 15-9816-6RB PAPCO		Henrico County 17-1318-9EAR PAPCO	
	Gasoline #7	Diesel	Gasoline #7	Diesel	Gasoline #7	Diesel
Rate from	OPIS	OPIS	OPIS	OPIS	OPIS	OPIS
Date for Rate	6/18/2019	5/31/2019	6/18/2019	5/31/2019	6/18/2019	5/31/2019
Vendor rate per gallon	1.9428	2.4952	1.9428	Vendor rate per gallon	1.9428	Vendor rate per gallon
Differential	-0.0179	0.0995	0.0995	Differential	\$0.0065	Differential
Cost per gallon	1.9249	2.5951	\$1.9493	Cost per gallon	\$1.9493	Cost per gallon
6,933 gallons ordered	\$13,346.33	\$17,690.97	\$13,514.50	6,933 gallons ordered	\$13,655.57	\$13,514.50
			Comparison to JRS Contr	Comparison to JRS Contr	Comparison to JRS Contr	Comparison to JRS Contr
			\$114.39	\$9.71	\$283.56	-\$25.74

State Contract Quarles - Gasoline	Chesterfield County ADMIN18000233 PAPCO		Henrico County 15-9816-6RB PAPCO		Henrico County 17-1318-9EAR PAPCO	
	Gasoline	Differential	Gasoline	Differential	Gasoline	Differential
Gallon	8401-8500	0.0563	6000-8400	0.0613	4000-5999	0.3999
						0.1253
Quarles - Diesel	7401-7500	0.0538	5000-7400	0.0613	3000-4999	0.2999
Gallon						0.1218

Other State Contract Services / Advantages:
 Emergency clause - During State declared emergencies, trucks and drivers are to be available 24/7
 Tank cleaning services offered at a contracted price
 Tank installation services offered at a contracted price

Quarles reference - Dawn spoke with Don Lee, Fleet Manager, Hanover County and overall they are more than satisfied with Quarles

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 24th day of September, 2019:

Present:

Vote:

Donald R. Hunter, Chairman
Floyd M. Brown, Jr., Vice-Chairman
Alan R. Carmichael
Marlene J. Waymack
T. J. Webb

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On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; AWARD OF CONTRACT QUARLES PETROLEUM THROUGH STATE CONTRACT #E194-73737 FOR PURCHASE OF VEHICLE GASOLINE AND DIESEL FUEL

WHEREAS, The Commonwealth of Virginia awarded the statewide gasoline and diesel fuel contract (#E194-73737) to Quarles Petroleum for price differentials varying according to location and quantity delivered as outlined in the contract for the period of November 20, 2015 through January 5, 2019 with 7 possible annual one-year renewals; and

WHEREAS, the County of Prince George wishes to participate in state contract #E194-73737 for gasoline and diesel fuel purchases; and

WHEREAS, Staff is requesting authorization for the County Administrator to issue an Award of Contract to Quarles Petroleum in accordance with State Contract #E194-73737 effective November 1, 2019 with possible renewals on state renewal schedule.

NOW, THEREFORE, BE IT RESOLVED That the Board of the Supervisors of the County of Prince George this 24th day of September, 2019, hereby authorizes the County Administrator to issue a Notice of Award to Quarles Petroleum effective November 1, 2019 with renewals in accordance with State Contract #E194-73737.

A Copy Teste:

Percy C. Ashcraft
County Administrator