



FRESNO COUNTY FIRE

PROTECTION DISTRICT

Honor, Integrity, Cooperation & Professionalism

MEMORANDUM

Date: 5/8/2018

To: Board Directors

Attn: Mike Del Puppo
President

From: Fire District Staff

Subject: Fuel Purchasing and Delivery Contract.

BOARD OF DIRECTOR'S BRIEFING PAPER

ISSUE:

Staff is asking the Board of Directors to authorize the Fire Chief or his designee to enter a contract for fuel purchase/delivery with the Robert V. Jensen company of Fresno. Staff is also requesting that the fuel purchase invoices be approved for payment upon receipt and with delivery verification.

BACKGROUND:

The District has historically purchased fuel from the County of Fresno at their various fueling locations. However, the county is in the process of upgrading their fuel dispensary program and will no longer be a viable option for the District's fuel needs. The current fiscal year budget allocated resources to begin the purchase and installation of fuel vaults at each location with a demonstrated need. Staff have completed the first phase of installations at three District stations. The District previously had fuel vaults at two existing stations which brings the current total to five vaults. Staff have been researching, developing, and negotiating terms for a reliable and cost effective fuel delivery contract over the last few weeks.

DISCUSSION:

To maximize savings and secure a reliable fuel source, staff have determined that a multiple year contract based on the daily Oil Price Information Service (OPIS) pricing from a large wholesale distributor would provide the District with the most favorable terms. The Robert V. Jensen (RVJ) company is one of the largest distributors in our area and are willing to supply the District with its fuel needs at all current and future sites while meeting the contract terms that staff desired. RVJ has agreed to a three year keep it full contract with two one year extensions. Pricing will be based on the daily OPIS wholesale pricing without mileage surcharges for remote deliveries. In addition, RVJ is willing to accommodate the District's need to consolidate all invoicing and billing for each satellite location into one larger invoice directly to headquarters staff. This will ensure timely processing and payment to avoid late fees. It is anticipated and desired that the fuel invoices will be paid upon receipt, utilizing the same process, as the District currently makes its utility bill payments. In addition, RVJ is willing to work with staff to develop an emergency fuel delivery program to assist with fuel logistical needs during extended and remote incident activity.

ALTERNATIVES:

1. The Board votes not to approve the fuel purchase and contract with RVJ and direct staff to consider other options.

IMPACTS *(Consider potential consequences related to each of the following areas of concern for proposed alternatives):*

- Fiscal – This contract will result in fiscal savings for the District as fuel will be purchased at wholesale instead of retail pricing.
- Operational – This contract will result in operational gain as apparatus will no longer need to travel to purchase fuel thus reducing response times.
- Legal – No known impact.
- Labor – No known impact.
- Sociopolitical – No known impact.
- Policy – No known impact.
- Health and Safety – No known impact.
- Environmental – No known impact.
- Interagency – No known impact.

RECOMMENDATION:

Staff is recommending that the Board of Directors approve and authorize the Fire Chief and staff to enter a fuel purchase and delivery contract with Robert V. Jensen (RVJ) company.

APPROVED:



Chris Bump, District Operations Chief

5/8/18

Date

EXECUTIVE STAFF