

OMB Granicus Review

Granicus Title	Second Amendment to the Agreement with Pro Energy LLC for requirements of gasoline and diesel fuel delivery services.				
Granicus ID#	23-0820D	Reference #	190-0360-B	Date	10/02/2023

Mark all Applicable Boxes:

Type of Review									
CIP		Grant		Other	X	Revenue		Project	

Fiscal Information:

New Contract (Y/N)	N	Original Amount	\$	17,330,894.70
Fund(s)	5002	Amount of Change (+/-)	\$	5,800,000.00
Cost Center(s)	361930	Total Amount	\$	23,130,894.70
Program(s)	1541	Amount Available (FY24)	\$	6,100,000.00
Account(s)	5520001	Included in Applicable Budget? (Y/N)	Y	
Fiscal Year(s)	FY21 – FY26			

Description & Comments

(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)

Summary

- The proposed Second Amendment will raise the not to exceed threshold from \$17,330,894.70 to \$23,130,894.70, for a difference of \$5,800,000.00 or 33.5%.
- This only creates a not-to-exceed threshold, it does not guarantee an exact amount to be paid. DAS Fleet may use the full \$23,130,894.70 or less.
- This will be expensed from the Fleet Management Fund (5002), Fuel Management Center (361930), Operating Supplies Exp Account (5520001) and Fleet Fuel Management Program (1541).
- This requested increase of \$5,800,000.00 is fully budgeted for in FY24 at \$6,100,000.00, however, the request is likely not enough to meet operational needs. A third amendment will likely be needed for the contract at a later date.

Background

On September 9, 2020, the Pinellas County Board of County Commissioners (BCC) approved this Tampa Bay Area Purchasing Cooperative Contract (Contract No. 190-0360-B) with Pro Energy LLC (Pro Energy) and Palmdale Oil Company Inc. (Palmdale) for a total amount of \$15,479,130.80 and effective through December 15, 2025. The contract provides for the annual requirements of fuel (gasoline and diesel) deliveries, which are administered by the Department of Administrative Services' (DAS) Fleet Management Division (Fleet). The First Amendment was approved by the County Administrator (CA) on October 25, 2022, and increased the not-to-exceed threshold in the amount of \$1,851,763.90, or 12.0% for a revised not-to-exceed total of \$17,330,894.70. First Amendment did not include additional services or an adjustment to the term length.

Approved Contract Summary			
Description	Amount	Year	
Total Approved to Date:	\$ 17,330,894.70	2023	
Original Contract	\$ 15,479,130.80	2021	
Pro Energy	\$ 11,167,792.80	2021	
Palmdale	\$ 4,311,338.00	2021	
First Amendment	\$ 1,851,763.90	2022	
Pro Energy	\$ 1,851,763.90	2022	

Palmdale	\$ -	2022
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Table 1: Approved Contract Summary

The Blanket Purchase Agreements (BPA) affiliated with this contract, BPA #442302 and 442824, have expensed a total of \$16,041,227.46 with \$1,289,667.24, or 7.4% remaining overall. Pro Energy is also completely expensed, which is why Fleet is requesting an expedited process to increase the not-to-exceed threshold.

iSupplier Report Summary			
Vendor	Amount Approved	Amount Expensed	Amount Remaining
Pro Energy	\$ 13,019,556.70	\$ 13,019,556.70	\$ -
Palmdale	\$ 4,311,338.00	\$ 3,021,670.76	\$ 1,289,667.24
Total	\$ 17,330,894.70	\$ 16,041,227.46	\$ 1,289,667.24

Table 2: iSupplier Report Summary

With an average annual expenditure of \$3,095,826.16 for the original contract and \$3,66,178.94 for the amended contract (First Amendment), actual expenses have outpaced both averages since FY21 (Table 3). Fuel quantities have remained relatively flat since FY21, however, the price per gallon for fuel has spiked due to inflation and supply chain disruptions, leading to this heightened spending by Fleet (Table 3 and Figure 1). Per the U.S. Energy Information Administration (EIA), Florida experienced a 44.0% increase in average fuel prices from FY21 to FY22 and 30.8% from FY21 to FY23. Fleet has also experienced budget increases (Table 5) since FY21 to keep up with these significant fluctuations in fuel prices.

BPAs 442302 and 442824 PO Summary				
Year	Amount	YoY Percent Change	Utilization	YoY Percent Change
FY21	\$3,608,719.70	-	3	-
FY22	\$6,557,456.49	81.7%	6	100.0%
FY23 YTD	\$5,875,051.27	-10.4%	3	-50.0%
FY21 - FY23 YTD Total	\$16,041,227.46		12	

Table 3: BPA PO Summary

BPAs 442302 and 442824 PO Summary

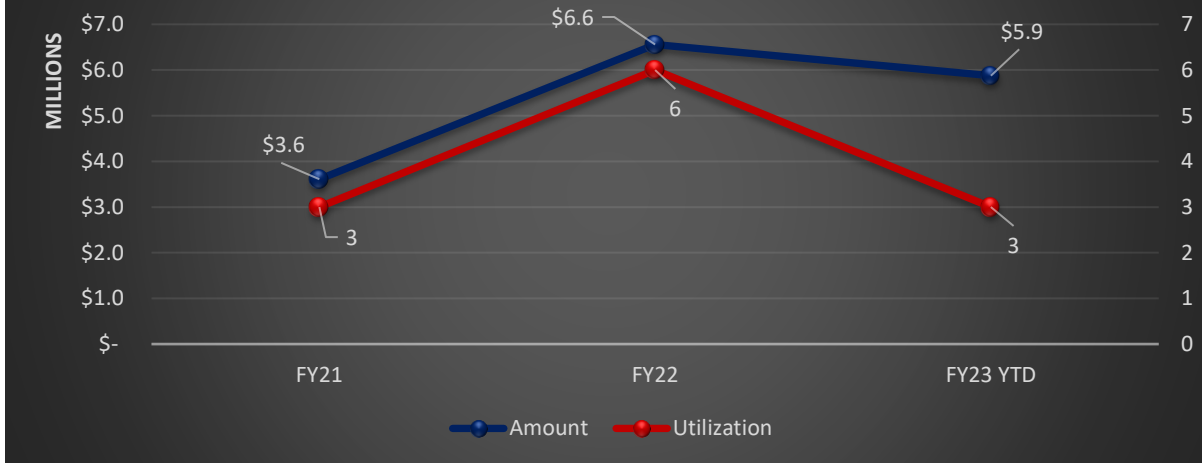


Figure 1: BPA PO Summary

The proposed Second Amendment to this cooperative contract will raise the not to exceed threshold to \$23,130,894.70, for a difference of \$5,800,000.00, or 33.5%. The Second Amendment will not adjust the term length or add services, it only increases the not-to-exceed threshold. This will also raise the average annual expenditure from \$3,466,178.94 to \$4,626.178.94, which still leaves the average annual expenditure less than historical spending (less FY21).

Proposed Changes Summary	
Description	Amount
Approved Not-To-Exceed Amount	\$ 17,330,894.70
Original Contract	\$ 15,479,130.80
Pro Energy	\$ 11,167,792.80
Palmdale	\$ 4,311,338.00
First Amendment	\$ 1,851,763.90
Pro Energy	\$ 1,851,763.90
Palmdale	\$ -
Proposed Changes:	\$ 5,800,000.00
Second Amendment	\$ 5,800,000.00
Pro Energy	\$ 5,800,000.00
Palmdale	\$ 0.00
Proposed Not-To-Exceed Total	\$ 23,130,894.70

Table 4: Proposed Changes Summary

This contract is used only by DAS Fleet and is derived from the Fleet Management Fund (5002), Fuel Management Center (361930), Operating Supplies Exp Account (5520001) and Fleet Fuel Management Program (1541). DAS Fleet has specifically budgeted \$6,100,000.00 in FY24, which is sufficient to meet the demands of the proposed \$5,800,000.00 increase (Table 5). Historical actuals (Table 5) suggest that this requested increase is not enough to fulfill DAS Fleet’s needs through the full contract end date of December 15, 2025 or all of FY24. DAS’ Purchasing and Risk Management Division (Purchasing) and Fleet are aware of this and will propose a contract amendment with a not-to-exceed threshold that will likely need BCC approval at a later date¹ (potentially within next six months). Second Amendment is an

attempt to expedite the request so that DAS Fleet may continue County operations without significant impacts. Without this increase, DAS Fleet could be halted from purchasing the fuel necessary to keep the County's fleet operating at normal capacity.

Budget vs. Actuals Summary				
Fiscal Year	Budget	YoY Increase	Actual	Difference from Budget
FY21	\$ 4,564,900.00	-	\$ 3,608,719.70	\$ (956,180.30)
FY22	\$ 4,755,180.00	4.2%	\$ 6,557,456.49	\$ 1,802,276.49
FY23	\$ 5,555,070.00	16.8%	\$ 5,875,051.27	\$ 319,981.27
FY24	\$ 6,100,000.00	9.8%	-	-

Table 5: Budget vs. Actuals Summary

Analyst: Shane Kunze

Ok to Sign:

Instructions/Checklist

1. Upon receipt of a request for review and notification in Granicus, review the Agenda and document for language and accuracy. Make sure there are available funds, the dept. is not overextending itself, was it planned, etc.
2. Use the Staff Report section to give a summary of the contract and include your thoughts and pertinent information.
3. Complete the form above using the Granicus attachments and the County's accounting & budgeting systems (i.e., OPUS, Chart of Accounts, Questica Budget Software).
4. Include a statement in both the Fiscal Impact section of the Staff Report and the Granicus Review form to indicate if the activity is planned in the current budget.
 - a. Sample language: **"The (contract, agreement, MOU, activity, etc.) is included in the FY23 Adopted Budget and the preliminary FY24 budget submission from the department. The annual amount expected to be spent on the (contract, agreement, MOU, activity, etc.) is approximately the same as has been spent in most recent years (or is ___ percent higher or lower due to ___)"**.
5. Save the form with the following naming convention:
 - a. **OMB.Review_XX-XXXX_Department_Subject_Date)**
 - b. (e.g., OMB Review_22-529A_PW_Sidewalk_28-DEC-2022).
6. Upload to Granicus as a numbered attachment.
 - a. Upload a copy of the Granicus review into the appropriate department review folder on SharePoint. (OMB/OMB Document Library/GRANICUS.RVW).

¹ The total increase will be based on County operational needs and the trend of fuel prices. Fuel prices have averaged lower in FY23 than FY22, however, they continue to be higher than projected in both the budget and contract.