



# Pinellas County

## Staff Report

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File #: 23-0820D, Version: 1

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### **Subject:**

Second Amendment to the Agreement with Pro Energy LLC for requirements of gasoline and diesel fuel delivery services.

### **Recommended Action:**

Approval and execution by the County Administrator of the Second Amendment to the Agreement with Pro Energy LLC (Pro Energy) for requirements of gasoline and diesel fuel delivery services.

- This is a Tampa Bay Purchasing Cooperative contract, administered by the County, for requirements of tank wagon and transport fuel deliveries on an as needed basis.
- This Second Amendment increases the contract in the amount of \$5,800,000.00, for a revised total not to exceed contract value of \$18,819,556.70 with Pro Energy LLC. Funding for this increase has been appropriated in FY24; in essence this is simply an increase to the master purchase agreement to match appropriation.
- On September 9, 2020, the Board of County Commissioners awarded Pro Energy LLC the contract for transport delivery services in the amount of \$11,167,792.80 and awarded Palmdale Oil Company Inc (Palmdale) the contract for tank wagon deliveries in the amount of \$4,311,338.00. The combined total contract value is not to exceed \$15,479,130.80 for a five-year term.
- On July 22, 2022, the County Administrator approved the First Amendment which added tank wagon delivery services to the agreement with Pro Energy LLC due to staffing issues at Palmdale Oil Company. The First Amendment increased the contract by \$1,851,763.90 for a revised contract total of \$13,019,556.70 with Pro Energy LLC and an overall total contract value of \$17,330,894.70.
- Funding is derived from Fleet Management's operating budget (Fuel Management Fund) and is sufficiently budgeted in FY24 to meet the requested increase of \$5,800,000.00.
- This increase is not enough to meet the operational needs of County Fleet through the term (December 15, 2025). An additional amendment to this contract may likely be needed in the future. County Fleet and Purchasing are monitoring and will process another amendment if needed.

Contract No. 190-0360-B increase in the amount of \$5,800,000.00 for a revised total contract value of \$18,819,556.70 with Pro Energy LCC and an overall revised total contract value of \$23,130,894.70, effective through December 15, 2025.

### **Strategic Plan:**

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

### **Summary:**

This Tampa Bay Area Purchasing Cooperative contract is for the annual requirements of fuel, gasoline and diesel deliveries which is administered by the County's Fleet Management Division. Cooperative participants are responsible for issuance of their own awards and purchase authorizations.

The First Amendment modified Agreement with Pro Energy Inc to include tank wagon fuel delivery services on an as needed basis. These services are used to supplement the current tank wagon services being performed by Palmdale Oil Company Inc. An additional source for tank wagon deliveries was necessary as Palmdale Oil Company Inc was experiencing market driven staffing shortages and these services are important to maintain during hurricane season.

The Second Amendment will add \$5,800,000 due to volatile fuel purchases.

**Background/Explanation:**

This contract was initially awarded by the Board of County Commissioners in the amount of \$15,479,130.80 on September 9, 2020.

The First Amendment was approved by the County Administrator on July 22, 2023, to increase the contract in the amount of \$1,851,763.90.

**Fiscal Impact:**

Pro Energy approved expenditure to date:	\$13,019,556.70
Second amendment increase:	<u>\$ 5,800,000.00</u>
Revised expenditure not-to-exceed:	\$18,819,556.70

Palmdale approved expenditure to date:	<u>\$ 4,311,338.00</u>
Revised combined expenditure not-to-exceed:	\$23,130,894.70

Funding is derived from Fleet Management's operating budget (Fuel Management Fund) and is sufficiently budgeted in FY24 to meet the requested increase of \$5,800,000.00.

This increase is not enough to meet the operational needs of County Fleet through the term (December 15, 2025). An additional amendment to this contract will likely be needed in the future.

**Delegated Authority:**

Authority for the County Administrator to approve this Amendment is granted under Code Section 2-184(b).

**Staff Member Responsible:**

Don Moore, Fleet Management Division Manager, Administrative Services

Joe Lauro, Director, Department of Administrative Services

Merry Celeste, Division Director, Purchasing and Risk Management, Administrative Services

**Partners:**

N/A

**Attachments:**

Second Amendment