



Pinellas County

Staff Report

File #: 24-0773A, Version: 1

Subject:

Third Amendment to the agreement with Pro Energy, LLC for requirements of gasoline and diesel fuel delivery services.

Recommended Action:

Approval of the Third Amendment to the agreement with Pro Energy, LLC (Pro Energy) for gasoline and diesel fuel delivery services.

- The Third Amendment increases the contract value to align with the Fleet Operations Budget for fuel. There are sufficient funds to provide for fuel purchases.
- The Third Amendment increases Pro Energy's contractual upset limit by \$7,300,000.00 for a total of \$26,119,556.70 through December 15, 2025.
- On September 9, 2020, the Board of County Commissioners awarded this contract in the amount of \$15,479,130.80 for a five-year term to two vendors (Pro Energy, LLC - \$11,167,792.80 and Palmdale Oil Company Inc. - \$4,311,338.00).
- 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 to include tank wagon fuel delivery services.
- The Second Amendment was approved by the County Administrator on October 4, 2023, in the amount of \$5,800,000.00 to offset the impact of rising fuel prices.
- Funding for this amendment is sufficiently included in the Fiscal Year (FY) 2024 Adopted Budget of the Department of Administrative Services in the Fleet Management Fund. Funding for the second year of this agreement is partially included in the requested FY25 Budget submission and partially to be requested in the next budget.

Contract No. 190-0360-B increase in the amount of \$7,300,000.00, for a revised total not to exceed the amount of \$26,119,556.70 with Pro Energy and a revised total not to exceed \$30,430,894.70 with both vendors; Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

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.

This third amendment increases the contract with Pro Energy by \$7,300,000.00 for a revised total agreement value of \$26,119,556.70 to provide sufficient funding through December 15, 2025. This action does not increase the FY Adopted Budget. The increase of \$7,300,000.00 provides contingency fees as outlined below to obviate additional future amendments due to impacts of geopolitical events on petroleum prices and the potential for two hurricane seasons to significantly

increase order quantities.

Current Pro Energy LLC approved expenditure limit:	\$18,819,556.70
Less-Expenditures through 29 March 2024:	\$16,120,778.29
Less-Projected expenditures through June 1, 2024:	\$ 767,656.11
Remaining Expenditure Authority:	\$ 1,931,122.30
Less-18 Month Expenditure Trend:	\$ 6,908,904.98
Projected Shortfall:	\$(4,977,782.68)

Background Information:

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 to include tank wagon fuel delivery services on an as needed basis.

The second amendment was approved by the County Administrator on October 4, 2023 to increase the contract in the amount of \$5,800,000.00 to accommodate the impact of increasing fuel prices.

The current not-to-exceed threshold of \$23,130,894.70 includes \$18,819,556.70 for Pro Energy and \$4,311,338.00 for Palmdale. The third amendment only modifies the not-to-exceed threshold of Pro Energy.

Fiscal Impact:

Current approved expenditure with Palmdale:	\$4,311,338.00
Current approved expenditure with Pro Energy:	\$18,819,556.70
Third amendment increase:	\$7,300,000.00
Revised expenditure with Pro Energy:	\$26,119,556.00
Revised total not to exceed between both vendors:	\$30,430,894.70

Funding for this contract is sufficiently included in the FY24 Adopted Budget of the Department of Administrative Services in the Fleet Management Fund and is also included in the FY25 Budget draft.

Staff Member Responsible:

Don Moore, Fleet Management Division Manager, Administrative Services
Joe Lauro, Director, Department of Administrative Services
Merry Celeste, Division Director, Purchasing & Risk, Administrative Services

Partners:

N/A

Attachments:

Third Amendment