Request for City Council Committee Action
From the Departments of Public Works and Procurement

Date: October 11, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee

Subject: **Approval of Official Publication No. 6487 - Bids for Gasohol E-85 and E-70**

Recommendation:
Acceptance of the bid of Yocum Oil Company, Inc. for an estimated expenditure of $ 125,000.00 to furnish and deliver E-85 and E-70 gasohol to Public Works Equipment Service Division, as follows:

Cost per gallon is based on the Terminal Price (daily rack average) plus a mark up of plus $ .0050

Terms are net 30 days. F.O.B.: Destination.

Contingent on approval of the Civil Rights Department.

Prepared by: Gary Warnberg Director, Procurement

Approved by: Klara A. Fabry, P.E. City Engineer, Director of Public Works
Richard H. Smith, for

Presenters: Steve Kotke Deputy Director of Public Works Internal Services

Financial Impact (Check those that apply)
XX No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

___ Action requires an appropriation increase to the Capital Budget
___ Action requires an appropriation increase to the Operating Budget
___ Action provides increased revenue for appropriation increase
___ Action requires use of contingency or reserves
___ Other financial impact (Explain): Action is within Budget

___ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:
Tabulation of one (1) bid received on Official Publication No. 6487 for Gasohol E-85 and E-70 is attached.

Please refer to the enclosed Staff Memo.

Attachments - Staff Recommendation
Tabulation Sheet

cc: S. Kotke
P. Rao
W. Gauthier
R. Nubbe

August 31, 2005

Gary Warnberg
Purchasing Department
330 Second Avenue South
Towle Building, Room 552
Minneapolis, MN 55401-2211

Dear Mr. Warnberg:

This is a follow up letter you requested, to explain why Equipment Services Division would like to award Yocum Oil Co. Inc., the sole bidder on bid Official Publication # 6487 E-85 & E-70 Gasohol, the bid.

I offer the following reasons:

1. They were the only vendors who came forward and included their Federal rebate into the cost of the E-85 & E-70.

2. As a supplier of some of ESD's bulk oil, Yocum Oil has shown the ability to consistently provide next day service.

3. After contacting other potential vendors, one indicated their inability to provide E-85, while the other one has not returned the initial phone call after 10 days.

Prab Rao
Director
Equipment Services Division
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cc: David Ybarra
Nancy Pryzmus
Steve Kotke
William Gauthier

"BIDS FOR GASOHOL E-85 AND E-70" - PW Equipment Division

	Offl. Publ. #6487 Bids opened 10 AM, CDST August 10, 2005 Minneapolis MN	Yocum Oil Co Inc.
	A. Transport Deliveries E-85 Summer Blend	
1.	Cost/gallon of E-85 Terminal Price $/gal	*1.3860
2.	Bid Markup Constant $/gal	.0050
3.	Transportation Cost Common Carrier Rate $/gal	.0000
4.	Total Cost per Gallon E-85 $/gal	1.3910
	B. Transport Deliveries E-70 Winter Blend	
1.	Cost/gallon of E-70 Terminal Price $/gal	.0000
2.	Bid Markup Constant $/gal	.005
3.	Transportation Cost Common Carrier Cost $/gal	.000
4.	Total Price per Gallon E-70 $/gal	.005
	Cash discount - % 20 days	0

*See A
Price reflects .4335 Federal Tax Credit

We, the undersigned, hereby certify that the above bids were publicly opened and read aloud:

P. O'Brien for
FINANCE OFFICER

David M. Hanna
ASST. DIRECTOR, PURCHASING