



**City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

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**Legislative File No:** 2005-0886

**TO:** Mayor and City Council Members  
**FROM:** Roger Rousse, Director of Public Service  
**DATE:** December 22, 2005  
**SUBJECT:** Unleaded Gasoline and Diesel

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**REQUEST:**

City Council is requested to authorize a blanket purchase order to Mansfield Oil Company, Gainesville, GA for the purchase of diesel and unleaded fuel in the not-to-exceed amount of \$475,200 through January 31, 2008.

**REASON FOR PURCHASE:**

The City participates with the Michigan Intergovernmental Trade Network (MITN), formerly Tri-County Cooperative, for the purchase of diesel and unleaded fuel. Based on bids received by the City of Sterling Heights, Mansfield Oil Company was awarded the contract as low bidder for truck transport deliveries in December, 2003. The cooperative has agreed to exercise its option to renew for an additional two years. Mansfield Oil has agreed to honor the terms and conditions of the original bid and hold prices firm. Fuel pricing is based on Opus Daily Averages plus a bid factor. On average the City pays approximately 50 cents below pump prices. Mansfield Oil provided documentation confirming its status as a "critical vendor" for delivery to First Response and Government agencies during shortages.

The City will purchase approximately 80,000 gallons of diesel and 60,000 gallons of mid-grade unleaded fuel yearly. The total will fluctuate based on the winter weather conditions. It is estimated that the cost of fuel for the next two years will not exceed \$475,200.

**PROCESS:**

**Vendor Name and Address:**

Mansfield Oil Company  
1025 Airport Parkway, S.W.  
Gainesville, GA 30501

**Reason for Selection:**

MITN purchase, lowest bid

**Method of Purchase:**

Blanket Purchase Order

**BUDGET:**

\*Includes vehicle parts as well, in the budget line item.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Fleet	661.938000	Vehicle Maintenance	*\$400,000	\$230,000	\$170,000

**RECOMMENDATION:**

It is recommended that City Council authorize the issuance of a blanket purchase order to Mansfield Oil Company of Gainesville, GA for the purchase of diesel and unleaded fuel in the amount not-to-exceed \$475,200 through January 31, 2008.

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Budget Content: Finance Director</b>		
<b>Purchasing Process: Supervisor of Procurement</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		