

RESOLUTION 2018-112

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AUTHORIZING THE CITY MANAGER TO PURCHASE FUEL AT AN ESTIMATED COST OF \$178,813 FOR CITYWIDE USE FROM GOLDEN GATE PETROLEUM FOR FISCAL YEAR 2018/19

WHEREAS, various departments throughout the City of San Pablo use City-owned vehicles as part of their duties and operations;

WHEREAS, these departments include the Police Department, the Public Works Department (Maintenance Division and Street Lighting and Landscape District Division), Community Services Department (Paratransit Division) and citywide general vehicle use;

WHEREAS, City staff previously attempted to competitively bid for fuel, but did not receive any bids at that time because vendors were unwilling to commit to a price or percentage discount, given the City's relatively small amount of fuel consumption compared to large industrial users or transit districts; and

WHEREAS, the City has purchased fuel from Golden Gate Petroleum and staff informally ensures that the price is competitive and that the City receives a government agency discount;

WHEREAS, the purposes of provisions requiring competitive bidding in letting public contracts are to guard against favoritism, improvidence, extravagance, fraud and corruption; to prevent waste of public funds; and to obtain best economic result for public. (California Health & Safety Code section 33422); however, there are no state statutes mandating competitive bidding for the City's procurement of supplies like fuel;

WHEREAS, accordingly, competitive bidding was not undertaken for the FY2018/19 fuel purchase as competitive proposals would be unavailable or would not produce advantage, and advertisement for competitive bid would thus be undesirable, impractical, or impossible. The City establishes its competitive bidding policy for supplies and can determine because of the unique factual circumstances that competitive bidding requirements may be dispensed with if the public interest is better served by doing so, as where competitive bidding would not produce an advantage. (*Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631; *Los Angeles Dredging Co. v. Long Beach* (1930) 210 Cal.348);

WHEREAS, in fiscal year 2017/18, the city used a total of 46,221 gallons of fuel for a total cost of \$124,334;

WHEREAS, per the City's Purchasing Policy (AP-1.6), "*purchase of goods and services from any one vendor that are expected to total over \$50,000 over the course of a fiscal year should receive City Council approval at the beginning of the fiscal year;*"

WHEREAS, per the U.S. Energy Information Administration (EIA), fuel is expected to cost on average \$3.75 per gallon in California;

WHEREAS, for fiscal year 2018/19, City staff projects City-wide fuel use to total 47,150 gallons with a projected total cost of \$176,813, reflecting a 2% increase in use of fuel;

WHEREAS, gas prices for fiscal year 2017/18 averaged \$2.69 per gallon;

WHEREAS, although the EIA projects fuel costs to be \$3.75 per gallon for FY 2018/19, prices fluctuate with the economy;

WHEREAS, funding for fuel costs is already included under the adopted FY 2018-21 Quadrennial Budget under the perspective departments, no additional appropriation is needed at this time.

NOW THEREFORE, BE IT RESOLVED that the foregoing recitations are true and correct, and are included herein by reference as findings.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to purchase fuel delivered to City facilities for Citywide use from Golden Gate Petroleum for Fiscal Year 2018/19 in the projected amount of \$178,813 without following competitive bidding procedures.

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ADOPTED this 6th day of August, 2018, by the following votes:

AYES:	COUNCILMEMBERS:	Valdez, Cruz, Kinney, Morris and Call
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

APPROVED:

/s/ Elizabeth Pabon-Alvarado
Elizabeth Pabon-Alvarado, City Clerk

/s/ Genoveva Garcia Calloway
Genoveva Garcia Calloway, Mayor