September 11, 2017

To: ACHD Commission
   Bruce Wong, Director

From: Josh Sharp
     Fleet Coordinator

Subject: FY2018 Bulk Fuel Piggyback Purchase Agreement MD-457

Agenda Date: September 20, 2017

Facts and Findings:
Idaho Code 67-2803(1) allows agencies to “piggyback” on the acquisition of personal property when the procurement duplicates the price and substance of a contract for like goods that has been competitively bid by the state of Idaho, one of its political subdivisions, or an agency of the federal government.

In November 2016, Idaho State Purchasing Division issued an Invitation to Bid (ITB) ITB17000341 for a three year statewide blanket purchase agreement with the option to extend an additional fourth year for bulk fuel and heating oil. The basis for award: fuel price per gallon which is directly reconciled to the published OPIS RacFax closing price on the date of delivery, allowable taxes and the contractor’s margin. The award decision was based on the contractor margin. The margin consists of delivery cost; blending fees, and all other costs except for fixed cost. Baird Oil was the low cost responsive bidder and was awarded the Bulk Fuel contract under Statewide Blanket Purchase Order SBPO17200380. Baird Oil’s margin for the Idaho Transportation Department’s location on Chinden (District 3) for unleaded and diesel 1 & 2 is a negative $0.06 per gallon. The period of performance for ACHD’s contract will be October 1, 2017 – September 30, 2018.

The proposed Purchase Agreement and the Staff Report were reviewed by ACHD Legal Staff and were approved to go to Commission.

Fiscal Impacts:
Maintenance has budgeted sufficient funds in the FY2018 budget.

Account 547-4350

Staff Recommendation:
Staff recommends the ACHD Commission approve and the President execute the FY2018 Bulk Fuel Piggyback Purchase Agreement MD-457 with Baird Oil for FY2018. The estimated annual contract amount is not to exceed $775,000.00.

cc: Timothy R Morgan, Maintenance Deputy Director