


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-003, Agreements/ Contracts (New or Amended) resulting in no physical changes to the environment.	Coordination: City Attorney's Office; City Manager's Budget Office; Public Works	Dept. Approval: /s/ Maria Öberg
Council District(s): Citywide			CMO Approval:  1/8/25

SUBJECT: Actions Related to the Purchase Orders with Tom Lopes Distributing, Inc. dba Western States Oil Co. and Bosco Oil, Inc. dba Valley Oil Company for Fuel and Petroleum Products

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute purchase orders with Tom Lopes Distributing, Inc., dba Western States Oil Co. (San José, CA) and Bosco Oil, Inc., dba Valley Oil Company (Mountain View, CA) for fuel and petroleum products to extend services for one additional one-year option term for a total of ten options through January 31, 2026, subject to the appropriation of funds.

BASIS FOR RECOMMENDATION

The Fleet Management Division of the Department of Public Works (Fleet) oversees fuel management on behalf of various City departments including Fire and Police and relies on multiple service providers to meet the City's fueling requirements. Utilizing existing purchase orders, Fleet places orders for fuel in large volumes. Fuel pricing is obtained based on the Oil Price Information Service Low Rack San José index on the day of purchase. The fuel providers charge the current Oil Price Information Service index price plus a fixed markup and freight cost for fuel delivery. Fuel is delivered to various fueling sites throughout the City. Deliveries include various types of fuel such as unleaded petroleum and renewable diesel; types and quantities of fuel deliveries vary depending on specific vehicle requirements.

In 2013, a competitive Request for Proposals was released by the Finance Department to procure these products. The Request for Proposals provisioned for a one-year initial term and an additional eight one-year options for the City to extend the term. The initial award for these products was approved by City Council in November 2013¹. In June 2022, City Council approved additional options to extend the term of the awarded purchase orders to July 2024². The purchase orders were then extended through January 31, 2025 under City Manager authority. An additional extension to the purchase orders is now needed to ensure continuity of service while a new procurement is completed. The option period for February 1, 2025 to January 31, 2026, is estimated to have a total cost not-to-exceed \$5,000,000. Approval of this recommendation ensures the City continues to receive these essential products with minimal impact to operations.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE

The recommended actions relating to the purchase orders of \$5,000,000 is funded by the Public Works Non-Personal/Equipment appropriation in the Vehicle Maintenance and Operations Fund.

FOR QUESTIONS CONTACT: Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at Albie.Udom@sanjoseca.gov.

¹ November 2013 Resolution: <https://records.sanjoseca.gov/Resolutions/RES76840.PDF>

² June 2022 Resolution: <https://records.sanjoseca.gov/Resolutions/RES80528.pdf>