



DATE: August 29, 2025
 TO: Angela Calvillo, Clerk of the Board
 FROM: Lorna Walker, Assistant Director of Office of Contract Administration (OCA) and Purchaser
 SUBJECT: Resolution to approve Peoplesoft Contract ID 1000036821 (TC 70888) for Gasoline Fuel

Enclosed please find the proposed Resolution from the Office of Contract Administration (OCA) requesting that the Board of Supervisors authorize Contract 1000036821 with Pacific Coast Petroleum as the Primary provider of Gasoline Fuel for City locations. The proposed contract will have a not-to-exceed amount (“NTE”) of \$93,000,000 and an initial term of five (5) years, with the option to extend the term for three (3) additional years, for a total contract duration of eight (8) years. The anticipated contract start date is November 1, 2025.

Background – Gasoline Fuel

Between fiscal years 2020 and 2025, City departments encumbered approximately \$44.2 million dollars for the procurement of gasoline fuel, averaging \$7.4M per fiscal year.¹ City spending on gasoline fuel contracts increased in recent fiscal years due to changing market conditions. Encumbrances from fiscal years 2022 through 2025 were approximately \$33.3 million dollars, or an average of \$8.3M per fiscal year. The primary users of gasoline fuel are the Administrative Services Departments (Department of Public Works, Police, Central Shops) who account for over 60% of the City’s encumbrances for gasoline fuel. Total Purchase Order (“PO”) encumbrances for gasoline fuel by all City departments between fiscal years 2020-2025 are provided in Table 1 below. Total PO encumbrances by all City departments between fiscal years 2022-2025 are provided in Table 2 below.

Table 1: Total PO Encumbrances by City Departments between FY2020-FY2025 for Gasoline Fuel

Dept	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	Grand Total	Annual Avg.
ADM	\$3,827,508	\$3,827,775	\$5,334,198	\$4,767,793	\$5,473,389	\$5,033,883	\$28,264,546	\$4,710,758
PUC	\$510,398	\$593,496	\$806,459	\$849,630	\$1,042,303	\$1,444,493	\$5,246,779	\$874,463
FIR	\$391,227	\$561,000	\$732,127	\$1,272,236	\$766,048	\$1,118,388	\$4,841,026	\$806,838
AIR	\$368,878	\$314,058	\$484,288	\$447,047	\$354,972	\$540,000	\$2,509,243	\$418,207
MTA	\$130,200	\$189,875	\$385,618	\$809,988	\$514,448	\$559,593	\$2,589,722	\$431,620
SHF	\$35,500	\$40,409	\$79,754	\$76,448	\$60,377	\$88,200	\$380,688	\$63,448
REC	\$30,000	\$26,146	\$3,365	\$23,627	\$55,201	\$99,300	\$237,639	\$39,607
DPH	\$24,269	\$21,094	\$13,520	\$36,408	\$11,823	\$42,741	\$149,855	\$24,976
	\$5,317,980	\$5,573,853	\$7,839,329	\$8,283,177	\$8,278,561	\$8,926,598	\$44,219,498	\$7,369,916

Table 2: Total PO Encumbrances by City Departments between FY2022-FY2025 for Gasoline Fuel

¹ This amount is based on Total Purchase Order encumbrances for City’s two suppliers of gasoline fuel during FY2020 through FY2025: Mansfield Oil Company (Supplier ID 0000052752) and Western States Oil (Supplier ID 0000008277).



Department	FY21/22	FY22/23	FY23/24	FY24/25	Grand Total	Annual Average
ADM	\$5,334,198	\$4,767,793	\$5,473,389	\$5,033,883	\$20,609,263	\$5,152,316
PUC	\$806,459	\$849,630	\$1,042,303	\$1,444,493	\$4,142,885	\$1,035,721
FIR	\$732,127	\$1,272,236	\$766,048	\$1,118,388	\$3,888,799	\$1,012,539
AIR	\$484,288	\$447,047	\$354,972	\$540,000	\$1,826,307	\$456,577
MTA	\$385,618	\$809,988	\$514,448	\$559,593	\$2,269,647	\$567,412
SHF	\$79,754	\$76,448	\$60,377	\$88,200	\$304,779	\$76,195
REC	\$3,365	\$23,627	\$55,201	\$99,300	\$181,493	\$45,373
DPH	\$13,520	\$36,408	\$11,823	\$42,741	\$104,492	\$26,123
	\$7,839,329	\$8,283,177	\$8,278,561	\$8,926,598	\$33,327,665	\$8,331,916

Invitation for Bids (Sourcing Event 0000010800)

On July 31, 2025, OCA issued an Invitation for Bids (“IFB”) for fuel and fuel products through Sourcing Event 0000010800. The purpose of the IFB was to replace OCA’s expiring contract for gasoline fuel.² The IFB consisted of the following aggregate for City locations:

- Aggregate 1 consisted of the supply of Regular and Premium Gasoline Fuel to all City of San Francisco sites. Based on the provided City usage statistics and delivery quantities, bidders were asked to quote their differential pricing to the published Oil Price Information Service (OPIS)³ pricing for Regular and Premium Gasoline which determines the per gallon cost of gasoline fuel charged to City sites for deliveries.

Award

OCA awarded the gasoline fuel contract for Aggregate 1 of the IFB to Pacific Coast Petroleum (Supplier ID 0000013672), the lowest, responsive bidder.

Pricing Structure

Pricing for Aggregate 1 is based on separate volume ranges reflecting potential City order quantities. Bidders submitted differential pricing for each range, which is applied to the daily published OPIS index pricing on the gasoline fuel delivery date. The differential pricing submitted by awarded contractors must remain firm for the duration of the awarded contract.

Contract NTE Calculations

The advertised NTE was based on historical gasoline fuel expenditures and applied to the initial five-year contract

² The contract is:

- PS Contract ID 1000030369 with Mansfield Oil Company (Supplier ID 0000052752), which expires October 31, 2025.

³ OPIS is a price reporting agency that provides information used for commercial contracts and trade settlement related to gasoline, diesel, petroleum, natural gas, etc.



term. In analyzing market conditions since executing the prior City gasoline fuel term contracts, OCA found that San Francisco gasoline prices have increased by 30.35% since 2018, or approximately 4.34% annually. As outlined above, gasoline fuel contracts saw greater spending in recent fiscal years (\$8.3M annually) due to changes in market conditions. The recent spending averages were incorporated in the NTE calculations. Additionally, a 20% contingency was applied to prior spending numbers to account for potential fuel market volatility. Factoring in the \$8.3M annual spend over five years, an expected 4.34% annual price increase, and a 20% contingency, the total estimated spend was calculated to be \$54.3M for the initial five-year contract term, and \$92.9M over the full eight-year maximum contract period.

Recommendation

Gasoline fuel is an essential commodity for City operations and ensures immediate response by emergency departments, disaster preparedness, and the performance and delivery of essential City services.

For these reasons, a timely approval of this resolution will continue to provide City departments with uninterrupted access to gasoline fuels with this citywide gasoline fuel contract.

If you have any questions or require additional information, please contact Mark Farley on my team at Mark.Farley@sfgov.org or (628) 652-1608.

Enclosures:

1. Contract 1000036821 Proposed Agreement
2. Contract 1000036821 Ethics Form 126f(2)
3. Contract 1000036821 Ethics Form 126f(4)
4. Contract 1000036821 Resolution