



DATE: September 6, 2024
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration and City Purchaser
SUBJECT: **Resolution to approve amendment to Contract 1000030369 (Term Contract 70885.M) with Mansfield Oil Company of Gainesville, Inc. for gasoline**

The Office of Contract Administration (OCA) respectfully requests approval of an amendment to Contract 1000030369 (OCA Term Contract 70885.M) with Mansfield Oil Company of Gainesville, Inc., extending the contract duration by seven months, fourteen days, to June 30, 2025 and increasing the contract not-to-exceed (NTE) amount by \$7,538,000, for a total NTE amount of \$17,513,000. OCA further requests authorization from the Board of Supervisors to issue subsequent amendments to Contract 1000030369, if necessary, to ensure the continued, uninterrupted delivery of gasoline to the City prior to final award of one or more new fuel contracts pursuant to a competitive solicitation to be issued by OCA in the coming months.

Pursuant to Administrative Code Section 21.16(b), OCA utilized the competitive procurement process of another public agency or non-profit made up of multiple public agencies to make purchases of commodities or services for the use of the City under the terms established in the agency's competitive procurement process. OCA awarded Mansfield Oil Company of Gainesville, Inc. ("Mansfield") an agreement for gasoline fuel with an initial contract NTE amount of \$9,000,000 and for a duration of one year, from November 17, 2023 to November 16, 2024, on the basis of the results of the competitive solicitation process undertaken by Sourcewell, Inc., a cooperative purchasing entity that performs national solicitations for goods and services utilized by state and local governments nationwide.

Pricing on the contract is based on a markup or markdown on the industry index, the OPIS daily rack rate, for a given diesel type, delivery location, and gallons ordered, and includes additional fees for freight, "split" deliveries, and other charges.

The contract has been amended one (1) time:

- **Amendment 1:** increased contract NTE by \$975,000, for a total NTE of \$9,975,000.

OCA intends to issue a comprehensive competitive solicitation in the coming months for a variety of fuels and associated fuel products necessary for City operations, including: renewable diesel and red dye diesel, gasoline, lubricants, fleet fuel cards, and potentially other fuel-related items. OCA anticipates awarding one or more new contracts for such fuels and fuel products before the end of Fiscal Year 2024-2025.

The proposed amendment (**Amendment 2**) will extend Contract 1000030369 by seven months, fourteen days, to June 30, 2025, and increase the contract NTE amount by \$7,538,000, to \$17,513,000, commensurate with expected expenditures for this extended duration. The proposed NTE amount for the amendment is calculated based on average monthly usage over the life of the contract, of approximately \$767,000/month, and includes a 20% contingency to cover fluctuations in pricing and possible increases in spending by City departments.

Because fuel is a critical commodity for City operations, any lapse in fuel delivery can severely, and potentially immediately, impact the City's ability to perform its necessary functions. To ensure the continued, uninterrupted delivery of gasoline to the City at all times, OCA respectfully requests the Board of Supervisors to authorize the department to



issue any necessary additional amendments to Contract 1000030369 should the final award and execution of a new gasoline contract, to be issued pursuant to OCA's upcoming competitive solicitation, be delayed. OCA requests this authorization to execute additional amendments as needed for up to a maximum duration of one (1) year, 11 months, 14 days, to October 31, 2025, and up to a maximum contract NTE of \$20,768,000.

Estimated Need Based on Purchase Order (PO) Encumbrance Data	
Total Encumbered Funds as of 8/30/24	\$7,211,265
Avg Monthly Encumbrances Since Contract Start Date	\$767,016
Amendment 2 (through 6/30/25)	
Number of Months to Contract End Date	10
Anticipated Expenditures through Amendment 2 End Date	\$7,690,335
Less Available Contract Balance in PeopleSoft	(\$1,690,073)
Plus Contingency (20%)	\$1,538,067
Total Anticipated Expenditures through Modification 4 End Date	\$7,538,329
Current Executed Contract NTE	\$9,975,000
Proposed Modification 4 Contract NTE (rounded)	\$17,513,000

SUBSEQUENT AMENDMENTS (not to extend beyond 10/31/25)	
Number of Months from Amendment 2 End Date (6/30/25) to Maximum Contract Extension Date (10/30/25)	4
Anticipated Expenditures through Maximum Contract Extension Date	\$3,101,348
Plus Contingency (20%)	\$153,403
Total Anticipated Expenditures through Maximum Contract Extension Date	\$3,254,752
Amendment 2 Contract NTE	\$17,513,000
Proposed Maximum Contract Amendment NTE (rounded)	\$20,768,000

This contract is critical for satisfying City departments' needs for essential fuel for the City's buses, trucks, cars and equipment. Approval of this resolution will allow City departments to continue procuring this critical commodity in a streamlined and cost-efficient manner. The extension will assist the City while extensive efforts are made by OCA to establish a first-of-its-kind combined diesel and gasoline term contract for the City.

If you have any questions or require additional information, please contact Mark Farley at 628-652-1608.

Enclosures:

- Contract 1000030369 (TC70885.M) Citywide Gasoline – Original Agreement
- Contract 1000030369 (TC70885.M) Citywide Gasoline – Amendment 1
- Contract 1000030369 (TC70885.M) Citywide Gasoline – Amendment 2 (proposed)

City and County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sailaja Kurella, Director
Office of Contract Administration/Purchasing

- Contract Modification Template for any Subsequent Amendment(s)
- Resolution for approval to amend Contract 1000030369 (TC70885.M)
- S.F. Ethics Commission form 126f2, Notification of Submission of Proposal
- S.F. Ethics Commission form 126f4, Notification of Contract Approval