**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

DATE: November 2, 2023

TO: Angela Calvillo, Clerk of the Board

FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser

SUBJECT: **Resolution to approve amendment to Contract 1000013880 (Term Contract 70886) – Renewable Diesel with Golden Gate Petroleum**

The Office of Contract Administration respectfully requests approval of an amendment to Contract 1000013880 (OCA Term Contract 70886) with Golden Gate Petroleum, extending the contract duration by five months, to October 31, 2024 and increasing the contract not-to-exceed (NTE) amount by $18,750,000 for a total NTE amount of $86,750,000.

Pursuant to Administrative Code Section 21.1, OCA conducted a competitive solicitation in December 2018 for a Citywide as-needed term contract for the purchase of renewable diesel for all City departments. Golden Gate Petroleum was the lowest bidder for all aggregates (Aggregates 1-6 serving all departments and the PUC Sierras location), and was awarded the agreement as the Primary Contractor with an initial contract NTE amount of $45,000,000 and a duration of two (2) years and 10 months, from June 1, 2019 to March 31, 2022. The contract was amended two (2) times, once to update contract terms and conditions related to furnishing the City renewable diesel fuel in emergency situations, and once to extend the contract duration by two years and two months to May 31, 2024 and increase the NTE amount by $23,000,000, for a total NTE amount of $68,000,000. 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.

The proposed NTE amount for the amendment (Modification 3) is calculated based on average monthly usage over the life of the contract, of approximately $1.3 million. Note however, expenditures have increased over time as a result of the volatile market propelling increases in oil pricing the past several years. The current contract NTE balance is nearly depleted; as such, the proposed new NTE amount of $86,750,000 covers 12 months of usage, from November 2023 through October 2024, with a 20% contingency to cover fluctuations/increases in pricing as well as expected increased usage during the November 2023 APEC event.

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.

If you have any questions or require additional information, please contact Elizabeth Bessman on my team at 628-652-1602.

Enclosures:
Contract 1000013880 (TC70886) Citywide Renewable Diesel-Primary Contractor Agreement
Contract 1000013880 (TC70886) Citywide Renewable Diesel-Primary Contractor – Modification 1
Contract 1000013880 (TC70886) Citywide Renewable Diesel-Primary Contractor – Modification 2
Contract 1000013880 (TC70886) Citywide Renewable Diesel-Primary Contractor – Modification 3
Resolution for Contract 1000013880 (TC70886)
S.F. Ethics Commission form 126f4, Notification of Contract Approval