

December 16, 2005

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration  
Jeanette Bennett, Purchasing Director

SUBJECT: **Agenda Item:** Standard Purchasing Resolution 3: Exercise Renewal Option – MITN Cooperative Gasoline And Diesel Fuel

### **RECOMMENDATION**

On January 5, 2004, the City Council approved two (2) year contracts for Gasoline and Diesel Fuel with Mansfield Oil Company and Atlas Oil Company, which included an option to renew for two (2) additional years (Res# 2004-01-006-E-05). The Purchasing Department recommends accepting the two-year option exercised by the host city, Sterling Heights, for the MITN (Michigan Intergovernmental Trade Network) Cooperative of which Troy is a member city. The contracts will expire on January 31, 2008 under the same terms and conditions. The factors originally bid will remain the same and are as follows:

#### **Mansfield Oil Company Truck Transport Delivery**

<b>Type</b>	<b>Factor</b>
Unleaded Gasoline	<b>\$.0069/gal</b>
<b>Unleaded Mid-Grade</b>	<b>\$.0021/gal</b>
Unleaded Premium	<b>(-) \$.00181/gal</b>
Premium Diesel #1	<b>\$.0196/gal</b>
<b>Premium Diesel #2</b>	<b>(-) \$.0004/gal</b>
Diesel #2	<b>\$.0121/gal</b>

#### **Atlas Oil Company Tank Wagon Delivery (Minimum: 250 gallons / drop)**

<b>Type</b>	<b>Factor</b>
Unleaded Gasoline	<b>\$.14/gal</b>
<b>Unleaded Mid-Grade</b>	<b>\$.14/gal</b>
Unleaded Premium	<b>\$.14/gal</b>
Premium Diesel #1	<b>\$.14/gal</b>
<b>Premium Diesel #2</b>	<b>\$.14/gal</b>
Diesel #2	<b>\$.14/gal</b>

December 16, 2005

To: John Szerlag, City Manager  
Re: Exercise Renewal Option – Cooperative Gasoline Contract  
Page 2 of 2

### **TERMINOLOGY**

**OPIS Average** OPIS is a benchmark price used to fix the price of a gallon of gas on the day of delivery. The factor and MUSTFA charge are added to the OPIS price to determine the final gallon cost.

**Truck Transport Delivery Minimum:** 9,000 gallons / drop with short load charges for deliveries between 5,000 gallons and 9,000 gallons

**MUSTFA** **MUSTFA** is the Michigan Underground Storage Tank Financial Assurance Fund and is a State of Michigan uniform charge per gallon of gas sold that is used to assist owners and operators of underground storage tanks remove leaking tanks.

**Troy Usage:** **Truck Transport** – Approximately 227,000 gallons Mid-grade Unleaded, 74,000 gallons Premium #2 Diesel; **Tank Wagon** – Approximately 4,000 gallons Mid-grade Unleaded, 4,000 gallons Premium Diesel #2 although the City is implementing measures to economize gasoline usage.

### **SUMMARY**

The City of Sterling Heights has based the award on the lowest factor quoted per type of fuel delivery plus the OPIS average and MUSTFA surcharge which, when extended by the total number of gallons, yields the estimated total annual cost. Since gasoline prices cannot be held firm for any length of time, this method allows both parties to enter into an adjustable contract for a lengthy period of time.

### **MARKET SURVEY**

A market survey is not deemed necessary for the following reasons: 1) As stated in the Agenda Statement letter submitted by Sterling Heights, the MITN Cooperative has requested Mansfield Oil Company to provide a contingency letter that declares Mansfield Oil Company as a “**Critical Vendor**” by the refineries which will reinforce **uninterrupted deliveries during a natural disaster**. 2) As of November 18, 2005, **Cooperative cities are paying approximately \$.50 per gallon less than current consumer pump prices**. 3) Both vendors have worked out very well over the last two years.

### **BUDGET**

Funds for this contract are available in the Motor Pool and Parks and Recreation Operating Budgets.

JB/jb

**AGENDA STATEMENT**

OMB AS03 Rev. 11/04

**Item Title:** To extend a MITN (Michigan Intergovernmental Trade Network) Cooperative Contract for Gasoline and Diesel Fuel for a two-year period

**Submitted By:** Office of Purchasing

**Contact Person/Telephone:** Janice Sierzenga, Purchasing Manager, 446-2741

**Administration (initial as applicable)**

**Attachments**

___ City Clerk	___ Resolution	___ Minutes
___ Finance & Budget Director	___ Ordinance	___ Plan/Map
___ City Attorney (as to legal form)	___ Contract	___ Other
___ City Manager		

**Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office**

**Executive Summary:**

The City of Sterling Heights is the host community for a MITN ((Michigan Intergovernmental Trade Network) cooperative gasoline bid that includes over 17 communities in the Macomb, Oakland and Wayne County region. In December, 2003, City Council awarded the cooperative bid to Mansfield Oil Company for large deliveries and Atlas Oil Company for smaller deliveries.

In the original bid, there was an option to extend the contract for an additional two years, upon mutual agreement. At this time, recommendation is to extend the contract through January, 2008 for the following reasons:

- Upon review of the State of Michigan's cooperative bid of August, 2005 the cooperative bid hosted by Sterling Heights' bid was lower in price overall and as of November 18, 2005 the City was paying approximately \$.50 per gallon less than current consumer pump prices, which is consistent with the savings from two years ago.
- Attached are letters from Mansfield and Atlas Oil who have agreed to honor the terms and conditions of the original bid and hold their prices firm for an additional two-year period. Both companies have worked out very well over the last two years.
- The MITN cooperative has requested Mansfield to provide a contingency letter, which is attached as Exhibit "A". The letter declares Mansfield Oil Company a "Critical Vendor" by the refineries, which will reinforce uninterrupted deliveries during a natural disaster.

**Suggested Action:**

MOVED BY:

SECONDED BY:

RESOLVED, to extend the MITN cooperative contract awarded for gasoline and diesel fuel on a split bid basis to Mansfield Oil Company, 1025 Airport Parkway SW, Gainesville, GA 30501-0833 (for truck transport deliveries) and Atlas Oil Company, 24501 Ecorse Road, Taylor, MI 48180 (for tank wagon deliveries) on the same terms and conditions of the original contract through January, 2008.

**CITY OF STERLING HEIGHTS**  
**STAFF REPORT**  
December 6, 2005

Prepared By: Janice Sierzenga, Purchasing Manager

Ext. No. 2741

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**GENERAL INFORMATION:**

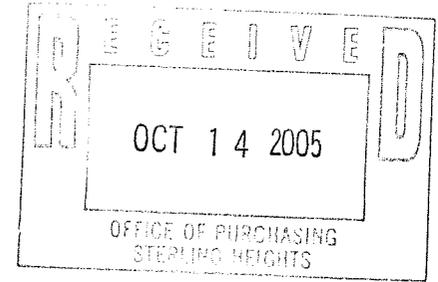
On November 18, 2003, bids were received and opened for delivery of gasoline and diesel fuel on a cooperative bid basis. Invitations to Bid were sent to the Chamber of Commerce, advertised on Cable Channel 5 and on the MITN website, and published in the Advisor/Source newspaper. Six vendors responded with bids. Funds for this contract have been allocated in Account #11717553-750000 (Fleet Maintenance, Fuels and Lubricants). Expenditures in 2004/05 were \$53,539 for Atlas and \$161,373 for Mansfield.

**STAFF ANALYSIS AND FINDINGS:**

Both Mansfield Oil Company and Atlas Oil have worked very well with all of the MITN communities purchasing gasoline and diesel fuel. The City, as the host community, has not received any complaints regarding the vendors' performance over the past two years.

**STAFF RECOMMENDATION:**

RESOLVED, to extend the MITN cooperative contract awarded for gasoline and diesel fuel on a split bid basis to Mansfield Oil Company, 1025 Airport Parkway SW, Gainesville, GA 30501-0833 (for truck transport deliveries) and Atlas Oil Company, 24501 Ecorse Road, Taylor, MI 48180 (for tank wagon deliveries) on the same terms and conditions of the original contract through January, 2008.



October 10, 2005

Ms. Janice Sierzenga  
Purchasing Manager  
City of Sterling Heights  
40555 Utica Road  
PO Box 8009  
Sterling Heights, MI 48311-8009

Re: Response to Letter dated September 23, 2005 - Extension of Existing Gasoline & Diesel Fuel Contract

Dear Ms. Sierzenga:

As is our policy, Mansfield Oil will take whatever steps are necessary to ensure that we meet our contractual obligations with our valued customers to the extent that external forces or pressure will allow us to do so. We would hope that they MITN cooperative would look at the Mansfield's overall contract performance as we believe we have served them well over the last year and a half.

In regards to the concern from the deliveries in early September, we would like to address these issues. Because of recent events and unforeseen supply disruption due to refinery's being down and pipeline shipments being delayed from the hurricanes, pricing indices could not accurately reflect current rack conditions. Local suppliers that have their own storage tanks were able to withstand the few days of disruption because of what they had in their tanks and had paid significantly less for that fuel days before the hurricane hit. However, they still charged the OPIS to you as they were able to make a significant amount by doing so. Since Mansfield purchases directly off the rack and does not have storage (which in normal conditions benefits the MITN Cooperative by paying lower prices on fuel purchases), supply and pricing was disrupted for rack wholesalers for a brief period. Mansfield was only asking for temporary relief in order to continue servicing our contract without taking huge financial losses for each load delivered as Mansfield would not be able to recoup these losses for the duration of the contract.

Mansfield tries to work with our customers to provide a win/win scenario for all parties involved during times of trial like we recently experienced. An example of this would be in Atlanta, where pipeline shipments were significantly delayed and the terminals were out of product this past week. There was very limited supply of fuel for the Georgia and Alabama markets. Mansfield made arrangements with carriers to go to Jacksonville, Florida to get fuel to our contracted customers in Atlanta. In turn the Government agencies agreed to pay the additional freight in order to secure product. This shows that Mansfield will exhaust every effort to find product if the customer is willing to work with us on the cost to do so.

We appreciate your past business and again, we hope that the MITN cooperative will look at Mansfield's overall performance during the contract and will understand what we were trying to do after Hurricane Katrina created havoc on supply and distribution of fuel during this temporary period.

Please feel free to call me with any questions at 1-800-255-6699, ext. 2080.

Regards,

Michelle Shively  
Government Sales Manager



24501 Ecorse Road Taylor MI 48180  
Ph: (313) 292-5500 Fax: (313) 292-2740

*Our Vision - "To be the premier  
marketer and distributor of quality  
products and innovative services in the  
petroleum industry."*

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October 17, 2005

Ms. Janice Sierzenga  
Purchasing Manager  
City of Sterling Heights  
40555 Utica Rd.  
Sterling Heights, MI 48311

Via Facsimile: 586.276.4062

Re: Contract Extension

Dear Ms. Sierzenga

Atlas Oil Company is happy to agree to the optional two-year extension under the same terms and conditions of the original contract.

If you have any other questions or concerns, please do not hesitate to contact me at 313.292.5500, ext. 206.

We look forward to the next two years.

Sincerely,

Sandra Schoenrade  
Atlas Oil Company  
Account Manager

# EXHIBIT "A"



October 31, 2005

Ms. Janice Sierzenga  
Purchasing Manager  
City of Sterling Heights  
40555 Utica Road  
PO Box 8009  
Sterling Heights, MI 48311-8009

Re: Supply Guarantee to Maintain Fuel Contract

Dear Ms. Sierzenga:

Mansfield Oil Company, a national wholesale supplier of gasoline and distillate products, is a major supplier to Federal, State, County and Local government entities throughout the United States. Specifically, in some parts of the country, due to the shortages of supply caused by recent hurricanes, our government customers were in dire need of fuel supply relief. Mansfield implemented the following steps to ensure our contract obligations were met during these shortages:

Mansfield Oil Company requested from refiners during these periods that we be classified under "Critical Vendor" status so that specific loads of product can be delivered to First Response and Government agencies as needed. Refiners released loads as needed as long as Mansfield supplied to the refiner documentation concerning location and use of fuel to meet critical vendor requirements.

This procedure to be classified as a Critical Vendor with refiners and steps to secure product have been implemented as policy for all future supply interruptions.

As is our policy, Mansfield Oil will take whatever steps are necessary to ensure that we meet our contractual obligations with our valued customers to the extent that external forces or pressure will allow us to do so. Having access to supply terminals in 48 states allows us to have options to secure product.

Please feel free to call me with any questions at 1-800-255-6699, ext. 2080.

Regards,

*Michelle Shively*  
Michelle Shively  
Government Sales Manager

RESOLVED, That all items as presented on the Consent Agenda are hereby **APPROVED** as presented.

Yes: All-7

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**E-2 Minutes: Regular Meeting of December 15, 2003**

Resolution #2004-01-006-E-02

RESOLVED, That the Minutes of the 7:30 PM Regular Meeting of December 15, 2003, be **APPROVED** as submitted.

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**E-3 Proposed City of Troy Proclamations: No proclamations presented.**

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**E-4 Standard Purchasing Resolution 1: Award to Low Bidder – Contract No. 03-7 – Dashwood, Minnesota to Dequindre – Storm Sewer**

Resolution #2004-01-006-E-04

RESOLVED, That Contract No. 03-7, Dashwood Storm Sewer, Minnesota to Dequindre be **AWARDED** to ADJ Excavating, Inc., 47301 Feathered Court – Shelby Township, Michigan 48315 at an estimated total cost of \$613,449.87; and

BE IT FURTHER RESOLVED, That the award is **CONTINGENT** upon submission of proper contract and bid documents, including bonds, insurance certificates and all specified requirements and if additional work is required such additional work is authorized in an amount not to exceed 10% of the total project cost.

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**E-5 Standard Purchasing Resolution 4: Tri-County Purchasing Cooperative Contract – Gasoline and Diesel Fuel**

Resolution #2004-01-006-E-05

RESOLVED, That two-year cooperative contracts with an option to renew for two additional years for gasoline and diesel fuel from Mansfield Oil Company and Atlas Oil Company are hereby **APPROVED** through the City of Sterling Heights bid process and extended to the Tri-County Purchasing Cooperative at factors contained in the bid tabulation opened November 18, 2003, expiring on January 31, 2006, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

December 18, 2003

TO: The Honorable Mayor and City Council

FROM: John Szerlag, City Manager  
John M. Lamerato, Assistant City Manager/Finance & Administration  
Jeanette Bennett, Purchasing DirectorSUBJECT: Standard Purchasing Resolution 4: Tri-County Purchasing Cooperative Contract  
Gasoline And Diesel Fuel**RECOMMENDATION**

On November 18, 2003, the City of Sterling Heights obtained bids for two year requirements of gasoline and diesel fuel commencing February 1, 2004 on behalf of the Tri-County Cooperative Cities of Birmingham, Eastpointe, Farmington Hills, Livonia, Madison Heights, Novi, Rochester Hills, Royal Oak, St. Clair Shores, Southfield, Sterling Heights, Troy, Warren, Waterford, Wayne County Airport Authority, West Bloomfield Township and Westland. The Sterling Heights City Council approved the split award on December 16, 2003. Therefore, staff recommends the award of the lowest factors to the following bidders:

Mansfield Oil Company		Truck Transport Delivery*	Pump Cost on 11/07/03
Type	Factor	Opis Avg.** + Factor + MUSTFA***= Pump Cost	
Unleaded Gasoline	<b>\$.0069/gal</b>	0.8997 + .0069 + .00875 = .91535	
<b>Unleaded Mid-Grade</b>	<b>\$.0021/gal</b>	0.9388 + .0021 + .00875 = .94965	
Unleaded Premium	<b>(-) \$.00181/gal</b>	1.0124 - .0081 + .00875 = 1.01305	
Premium Diesel #1	<b>\$.0196/gal</b>	1.0479 + .0196 + .00875 = 1.07625	
<b>Premium Diesel #2</b>	<b>(-) \$.0004/gal</b>	0.9070 - .0004 + .00875 = .91535	
Diesel #2	<b>\$.0121/gal</b>	0.8752 + .0121 + .00875 = .89605	

Atlas Oil Company		Tank Wagon Delivery (Minimum: 250 gals./drop)	Pump Cost on 11/07/03
Type	Factor	Opis Avg.** + Factor + MUSTFA***= Pump Cost	
Unleaded Gasoline	<b>\$.14/gal</b>	0.8997 + .14 + .00875 = 1.04845	
<b>Unleaded Mid-Grade</b>	<b>\$.14/gal</b>	0.9388 + .14 + .00875 = 1.08755	
Unleaded Premium	<b>\$.14/gal</b>	1.0124 + .14 + .00875 = 1.16115	
Premium Diesel #1	<b>\$.14/gal</b>	1.0479 + .14 + .00875 = 1.19665	
<b>Premium Diesel #2</b>	<b>\$.14/gal</b>	0.9070 + .14 + .00875 = 1.05575	
Diesel #2	<b>\$.14/gal</b>	0.8752 + .14 + .00875 = 1.02395	

\*Truck Transport Delivery Minimum: 9,000 gals./drop with short load charges for deliveries between 5,000 gallons and 9,000 gallons

\*\*Opis Average Op is a benchmark price used to fix the price of a gallon of gas on the day of delivery.

\*\* MUSTFA **MUSTFA** is the Michigan Underground Storage Tank Financial Assurance Fund and is a State of Michigan uniform charge per gallon of gas sold that is used to assist owners and operators of underground storage tanks remove leaking tanks.

Troy Usage: **Truck Transport** - 227,000 gallons Mid-grade Unleaded, 74,000 gallons Premium #2 Diesel; **Tank Wagon** - 4,000 gallons Mid-grade Unleaded, 4,000 gallons Premium Diesel #2

**SUMMARY**

The City of Sterling Heights has based the award on the lowest factor quoted per type of fuel delivery plus the OPIS Daily average for Detroit, Michigan. To find the exact cost of fuel on any date, the State of Michigan MUSTFA charge must also be added. Taking the sum of these three unit costs yields the final price paid for each gallon of gas or diesel. Since gasoline prices cannot be held firm for any length of time, this method allows both parties to enter into an adjustable contract for a lengthy period of time.

**BUDGET**

Funds for this contact are available in the Motor Pool Operating Budget.

## Interoffice Memorandum

**Date:** December 19, 2003  
**Subject:** Gasoline Contract Results  
**From:** Janice Sierzenga, Purchasing Manager  
**To:** All Members of the Cooperative Bid for Gasoline and Diesel Fuel

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On December 16, 2003, the Sterling Heights City Council approved award of the bid for bulk truck transport deliveries of gasoline to Mansfield Oil Company and tank wagon deliveries of gasoline to Atlas Oil Company. Attached please find the Agenda Statement and Staff Report as well as the bid tabulation for this bid. Hard copies will be mailed to any cooperative member upon request. Any entities who are not members of the cooperative but who intend to "piggy-back" are requested to contact me to confirm whether or not they intend to continue using this contract.

You will notice that the bid tabulation includes adjustments to some vendors' prices because every vendor did not submit the same OPIS averages. To obtain a fair comparison, averages were adjusted for several vendors in order to base everyone on the same OPIS price report. Bid factors were not changed. Secondly, some vendors included MUSTFA fees (a mandatory service charge of \$0.00875 per gallon) in their bid factors, while others did not. Totals which did not include MUSTFA were adjusted to include it on the bid tabulation.

In addition to the Agenda Statement and bid tabulation, there is information from Mansfield Oil, which gives a background history of the company and references. I have checked references, including the Virginia Department of Transportation, who has used Mansfield Oil for several years in over 20 cities in Virginia. Other references include Northwest Airlines and American Airlines. Northwest Airlines has over 100,000 gallons of fuel delivered each month to various airports in the country. American Airlines has deliveries to locations in Miami, Los Angeles, Texas and Chicago. Both vendors are extremely happy with the service from Mansfield Oil. American Airlines had an auditor do a random check on various vendors used by the airline and were impressed with Mansfield Oil's reporting procedures. Accounts in Michigan have been primarily commercial accounts and include Penske, Allied Transportation, UPS, and Con-Way Transportation.

For your information, I have received confirmation from Mansfield Oil that representatives will be attending the next Tri-County meeting on Friday, January 16, 2004 in Troy.

If you have any questions, I can be reached at 586-446-2741.

JS/ks

Attachment

**AGENDA STATEMENT**

OMB AS03 Rev. 8/99

**Item Title:** Award of Cooperative Bid for Gasoline and Diesel Fuel

**Submitted By:** Office of Purchasing

**Contact Person/Telephone:** Janice Sierzenga, Purchasing Manager, 446-2741

**Administration (initial as applicable)**

**Attachments**

<input type="checkbox"/>	Finance & Budget Director	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Minutes
<input type="checkbox"/>	City Attorney (as to legal form)	<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Plan/Map
<input type="checkbox"/>	City Manager	<input type="checkbox"/>	Contract	<input type="checkbox"/>	Other

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

**Executive Summary:**

The City of Sterling Heights hosts a cooperative gasoline bid that currently includes over 17 communities in the Macomb, Oakland and Wayne County areas. On November 18, 2003 bids were received with participation from the cities of Birmingham, Eastpointe, Farmington Hills, Livonia, Madison Heights, Novi, Rochester Hills, Royal Oak, St. Clair Shores, Southfield, Sterling Heights, Troy, Warren, Waterford, Wayne County Airport Authority, West Bloomfield Township and Westland. Bid factors were based on the Opus Daily Average for Detroit, Michigan on November 7, 2003. It should be noted, that Purchasing adjusted the bids of Atlas and Petroleum Traders which included MUSTFA (Michigan Underground Storage Tank) charges in their pricing. This adjustment was necessary for comparison purposes since not all bidders added the mandatory MUSTFA charges. The MUSTFA charges are uniform and will be charged regardless of the bidder selected. Prices charged to the municipalities fluctuate with the market conditions but are substantially lower than consumer pump prices.

Mansfield Oil Company is the low bidder for truck transport deliveries of over 5,000 gallons, and Atlas Oil Company is the low bidder for tank wagon deliveries of fewer than 5,000 gallons. Atlas has been our tank wagon vendor for the past four years and Mansfield Oil Company, a broker based out of Gainesville, Georgia, will make truck transport deliveries. Mansfield Oil Company currently has a number of commercial accounts in Michigan, including Penske, Allied Transportation, UPS, and Con-Way Transportation as well as a number of government contracts including the Virginia Department of Transportation, Army/Air Force Exchange, and Defense Energy Support Center.

This year, the Wayne County Airport Authority as well as the cities of Eastpointe, Rochester Hills and Westland were included in the totals, which increased the estimated usage by 1,076,000 gallons over the previous contract. A number of other nearby communities have also piggybacked off this contract in the past, including Clinton Township, Brownstown and Berkley.

**Suggested Action:**

MOVED BY:

RESOLVED, to award the cooperative bid for gasoline and diesel fuel deliveries on a split bid basis at unit prices as follows:

Mansfield Oil Company, 1025 Airport Parkway SW, Gainesville, GA 30501-0833, for truck transport deliveries at bid factors of:

Unleaded Gasoline	\$0.0069/gal	Premium Diesel #1	\$0.0196/gal
Unleaded Mid-Grade	\$0.0021/gal	Premium Diesel #2	-\$0.0004/gal
Unleaded Premium	-\$0.0081/gal	Diesel #2	\$0.0121/gal

Atlas Oil Company, 24501 Ecorse Road, Taylor, MI 48180, for tank wagon deliveries at bid factors of:

Unleaded Gasoline	\$0.14/gal	Premium Diesel #1	\$0.14/gal
Unleaded Mid-Grade	\$0.14/gal	Premium Diesel #2	\$0.14/gal
Unleaded Premium	\$0.14/gal	Diesel #2	\$0.14/gal

CITY OF STERLING HEIGHTS  
STAFF REPORT  
December 16, 2003

Prepared By: Janice Sierzenga, Purchasing Manager

Ext. No. 2741

**GENERAL INFORMATION:**

On November 18, 2003, bids were received and opened for delivery of gasoline and diesel fuel on a cooperative bid basis. Invitations to Bid were sent to the Chamber of Commerce, advertised on Cable Channel 5 and on the MITN website, and published in the Advisor/Source newspaper. Six vendors responded as outlined on the attached bid tabulation. Funds for this contract have been allocated in Org. #11717553 (Fleet Maintenance), Object #750000 (Fuels and Lubricants).

**STAFF ANALYSIS AND FINDINGS:**

I have reviewed the bids received and spoke to staff from Fleet Maintenance who has had no complaints in regard to Atlas Oil Company, our current tank wagon vendor, over the past four years.

Mansfield Oil Company currently works in over 49 states and holds extremely large contracts with several governmental entities including the Virginia Department of Transportation, Army/Air Force Exchange, Prince George Board of Education (which has over 1,200 school buses), and Defense Energy Support Center (locations throughout the United States), as well as a number of commercial accounts in Michigan. All references were favorable.

**STAFF RECOMMENDATION:**

**RESOLVED**, to award the cooperative bid for gasoline and diesel fuel deliveries on a split bid basis at unit prices as follows:

Mansfield Oil Company, 1025 Airport Parkway SW, Gainesville, GA 30501-0833, for truck transport deliveries at bid factors of:

Unleaded Gasoline	\$0.0069/gal	Premium Diesel #1	\$0.0196/gal
Unleaded Mid-Grade	\$0.0021/gal	Premium Diesel #2	-\$0.0004/gal
Unleaded Premium	-\$0.0081/gal	Diesel #2	\$0.0121/gal

Atlas Oil Company, 24501 Ecorse Road, Taylor, MI 48180, for tank wagon deliveries at bid factors of:

Unleaded Gasoline	\$0.14/gal	Premium Diesel #1	\$0.14/gal
Unleaded Mid-Grade	\$0.14/gal	Premium Diesel #2	\$0.14/gal
Unleaded Premium	\$0.14/gal	Diesel #2	\$0.14/gal

**CITY OF STERLING HEIGHTS**

**BID TABULATION - NOVEMBER 18, 2003**

**BULK TRUCK TRANSPORT AND TANK WAGON  
DELIVERIES OF GASOLINE, LEADED AND UNLEADED, AND DIESEL FUEL**

**TRUCK TRANSPORT**

Item	Est Gal	Avg	Mansfield Oil		Barrick Enterprises*		RKA Petroleum*	
			Factor	Ext Total	Factor	Ext Total	Factor	Ext Total
Unleaded Regular	1,077,000	0.8997	+0069	\$976,408.20	+0084	\$978,023.70 <sup>^</sup>	+0119	\$981,793.20 <sup>^</sup>
Unleaded Mid-Grade	1,085,200	0.9388	+0021	\$1,021,064.68	+0084	\$1,027,901.44 <sup>^</sup>	+0119	\$1,031,699.64 <sup>^</sup>
Unleaded Premium	376,000	1.0124	-0081	\$377,616.80	+0084	\$383,820.80 <sup>^</sup>	+0119	\$385,136.80 <sup>^</sup>
Diesel #1	185,000	1.0479	+0196	\$197,487.50	+0142	\$196,488.50 <sup>^</sup>	+0025	\$194,324.00 <sup>^</sup>
Premium Diesel #2	541,000	0.9070	-0004	\$490,470.60	+0142	\$498,369.20 <sup>^</sup>	+0150	\$498,802.00 <sup>^</sup>
Diesel #2	434,200	0.8752	+0121	\$385,265.66	+0125	\$385,439.34 <sup>^</sup>	+0150	\$386,524.84 <sup>^</sup>
Totals	3,698,400			\$3,448,313.44		\$3,470,042.98 <sup>^</sup>		\$3,478,280.48 <sup>^</sup>
Short load charge				\$30.00		\$35.00		\$0.01/gal
MUSTFA included?				no		no		no
Total including MUSTFA				\$3,480,674.44 <sup>#</sup>		\$3,502,403.98 <sup>#</sup>		\$3,510,641.48 <sup>#</sup>
Volume, SE MI				3,022,427		80,000,000		150,000,000
Terms				net 30		net 30		net 30
Split order charge				\$30.00		\$35.00		\$50.00

\* Averages were adjusted to maintain continuity and to obtain a fair comparison price. Some totals may have changed.

<sup>^</sup> Adjusted by Purchasing

<sup>#</sup> Calculated by Purchasing

**CITY OF STERLING HEIGHTS**

**BID TABULATION - NOVEMBER 18, 2003**

**BULK TRUCK TRANSPORT AND TANK WAGON  
DELIVERIES OF GASOLINE, LEADED AND UNLEADED, AND DIESEL FUEL**

**TRUCK TRANSPORT**

Item	Est Gal	Avg	Atlas Oil		Petroleum Traders		Spencer Oil*	
			Factor	Ext Total	Factor	Ext Total	Factor	Ext Total
Unleaded Regular	1,077,000	0.8997	+0.0148	\$984,918.50	+0.0162	\$986,424.30	+0.0300	\$1,001,286.90
Unleaded Mid-Grade	1,085,200	0.9388	+0.0148	\$1,034,846.72	+0.0104	\$1,030,071.84	+0.0300	\$1,051,341.76
Unleaded Premium	376,000	1.0124	+0.0148	\$386,227.20	+0.0098	\$384,347.20	+0.0300	\$391,942.40
Diesel #1	185,000	1.0479	+0.0148	\$196,599.50	+0.0271	\$198,875.00	+0.0300	\$199,411.50 <sup>^</sup>
Premium Diesel #2	541,000	0.9070	+0.0148	\$498,693.80	+0.0352	\$509,730.20	+0.0300	\$506,917.00 <sup>^</sup>
Diesel #2	434,200	0.8752	+0.0148	\$386,438.00	+0.0271	\$391,778.66	+0.0300	\$393,037.84
Totals	3,698,400			\$3,487,721.72		\$3,501,227.20		\$3,543,937.40 <sup>^</sup>
Short load charge				\$0.0050/gal		\$0.05/gal		\$0.005/gal
MUSTFA Included?				yes		yes		no
Total including MUSTFA				Included		included		\$3,576,298.40 <sup>#</sup>
Volume, SE MI				240,000,000		1,000,000		25,000,000
Terms				net 30		net 30		net 30
Split order charge				\$0.0030/gal		\$30.00		N/C

\* Averages were adjusted to maintain continuity and to obtain a fair comparison price. Some totals may have changed.

<sup>^</sup> Adjusted by Purchasing

<sup>#</sup> Calculated by Purchasing

**CITY OF STERLING HEIGHTS**

**BID TABULATION - NOVEMBER 18, 2003**

**BULK TRUCK TRANSPORT AND TANK WAGON  
DELIVERIES OF GASOLINE, LEADED AND UNLEADED, AND DIESEL FUEL**

**TANK WAGON**

Item	Est Gal	Avg	Mansfield Oil		Atlas Oil		RKA Petroleum*		Spencer Oil*	
			Factor	Ext Total	Factor	Ext Total	Factor	Ext Total	Factor	Ext Total
Unleaded Regular	174,000	0.8997	+ .1394	\$180,803.40	+ .1400	\$180,907.80	+ .1400	\$180,907.80 <sup>^</sup>	+ .1400	\$180,907.80
Unleaded Mid-Grade	59,900	0.9388	+ .1346	\$64,296.66	+ .1400	\$64,620.12	+ .1400	\$64,620.12 <sup>^</sup>	+ .1400	\$64,620.12
Unleaded Premium	0	1.0124	+ .1346	\$0.00	+ .1400	\$0.00	+ .1400	\$0.00	+ .1400	\$0.00
Diesel #1	0	1.0479	+ .1598	\$0.00	+ .1400	\$0.00	+ .1400	\$0.00	+ .1400	\$0.00
Premium Diesel #2	154,700	0.9070	+ .1298	\$160,392.96	+ .1400	\$161,970.90	+ .1400	\$161,970.90 <sup>^</sup>	+ .1400	\$161,970.90 <sup>^</sup>
Diesel #2	38,700	0.8752	+ .1423	\$39,377.25	+ .1400	\$39,288.24	+ .1400	\$39,288.24 <sup>^</sup>	+ .1400	\$39,288.24
<b>Totals</b>	<b>427,300</b>			<b>\$444,870.27</b>		<b>\$446,787.06</b>		<b>\$446,787.06<sup>^</sup></b>		<b>\$446,787.06<sup>^</sup></b>
Minimum delivery qty.				100 gallons		150 gallons		250 gallons		250 gallons
Short load charge				\$30.00		\$0.0050/gal		\$0.01/gal		\$0.005/gal
MUSTFA included?				no		yes		no		no
Total including MUSTFA				\$448,609.15#		included		\$450,525.94#		\$450,525.94#
Volume, SE MI				3,022,427		240,000,000		150,000,000		25,000,000
Terms				net 30		net 30		net 30		net 30
Split order charge				\$30.00		\$0.0030/gal		\$50.00		N/C

\* Averages were adjusted to maintain continuity and to obtain a fair comparison price. Some totals may have changed.

<sup>^</sup> Adjusted by Purchasing

# Calculated by Purchasing