

AGENDA ITEM 5 F  
Consent Calendar Item

**MEMORANDUM**

**DATE:** May 3, 2007  
**TO:** El Dorado County Transit Authority  
**FROM:** Julie Petersen, Fiscal Administration Manager  
**SUBJECT:** Resolution to determine fuel as exempt from competitive bidding

**REQUESTED ACTION:**

**BY MOTION,** Adopt Resolution No. 07-08 Identifying Fuel as Exempt from Competitive Bidding and Authorize the Transit Director to Procure Fuel from Outside Vendors

**BACKGROUND**

El Dorado County Transit Authority (EDCTA) operates a fleet of Fifty-four (56) vehicles and purchases green low sulfur diesel and unleaded gasoline from three (3) commercial cardlock fuel vendors.

This fleet consumes approximately 8,735 gallons of unleaded gasoline and 8,654 gallons of green low sulfur diesel per month. Transit Drivers and maintenance personnel fuel vehicles during the hours of 5:00 AM and 7:30 PM Monday through Friday and 8:00 AM and 5:00 PM each weekend. Additional fueling is necessary during special shuttle services – Fair Shuttle, Apple Hill Shuttle and Holiday Trolley.

All vendors provide a pricing structure to EDCTA for a set amount above their cost. This is typical of commercial/retail fuel vendors. Daily prices are based on the market but do not allow the vendors to provide a set price as if they were delivering to an EDCTA fuel tank on a specific day. EDCTA buys fuel daily and this daily price fluctuation does not conform to the approved EDCTA Purchasing Procedures therefore, the EDCTA board has allowed an exemption from competitive bidding on fuel since 2000.

EDCTA purchasing procedures allow an exemption to competitive bidding per the following approved EDCTA Purchasing Procedures:

**“3.12.132 Exemptions from competitive bidding.**

- A. Notwithstanding the provision of Section 3.12.130 herein, competitive bidding need not be required when the Purchasing Agent determines: 1) competitive bidding would not be in the public interest because of emergency, or: 2) the unique

nature of the property or service required precludes competitive bidding, or: 3) competitive bidding would produce no economic benefit to the agency.

- B. The exemption provided by subsection (A) herein shall apply only to the purchase of such items listed below or that have been identified by resolution of the EDCTA Board of Directors.”

Due to the unique nature of retail fuel delivery it is recommended that fuel procurement be identified as exempt from competitive bidding. Card lock retail fuel delivery does not lend itself well to competitive bidding because the pricing fluctuates daily according to market rates.

**EL DORADO COUNTY TRANSIT AUTHORITY**  
**RESOLUTION NO. 07-08**  
RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL DORADO COUNTY TRANSIT  
AUTHORITY IDENTIFYING FUEL AS EXEMPT FROM COMPETITIVE BIDDING AND  
AUTHORIZE THE TRANSIT DIRECTOR TO PROCURE FUEL

**WHEREAS**, El Dorado County Transit Authority (EDCTA) purchases ultra-low sulfur diesel and unleaded gasoline for fleet vehicles; and

**WHEREAS**, EDCTA currently purchases fuel from two (2) commercial cardlock vendors; and

**WHEREAS**, the EDCTA purchase of all fuel from one vendor is not practical due to the proximity of fuel facility and the availability of differing types of fuel; and

**WHEREAS**, cardlock type retail fuel vendor pricing fluctuate daily which does not lend itself to the EDCTA purchasing procedures; and

**WHEREAS**, EDCTA has received structured price quotes from all vendors; and

**WHEREAS**, Purchasing Procedures Section 3.12.132 Exemptions from competitive bidding allow for exemption from competitive bidding by resolution when the unique nature of the property does not lend itself to bidding; and

**WHEREAS**, Transit Director will be responsible for regular monitoring of all outside retail pricing per gallon; and

**NOW THEREFORE, BE IT RESOLVED**; that:

1. The purchase of fuel is considered unique in nature due to the fluctuation in price and is hereby declared exempt from competitive bidding.
2. The Transit Director is authorized to purchase fuel from outside vendors.
3. The Transit Director is required to regularly monitor fuel price between vendors in order to obtain the best price possible for EDCTA.

**PASSED AND ADOPTED**, this 3<sup>rd</sup> day of May, 2007.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Carl Hagen, EDCTA Chair

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Mindy Jackson, Transit Director

APPROVED AS TO FORM

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Barbara McDonald, Secretary to the EDCTA Board