

CITY COUNCIL REGULAR SESSION

Resolution authorizing the Finance & Asset Management Director, or his/her designee, to increase the City’s existing annual purchase order with Christensen, Inc., (Christensen), a provider of fuel services, to an amount not to exceed \$1,500,000 plus all applicable taxes.

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Finance & Asset Management Department

EXECUTIVE SUMMARY

The City had purchases orders with three fuel providers. Two of the City’s three fuel vendors no longer have contracts with the State, effectively removing them from our approved annual purchase order program. This request is to shift funds from those two purchase orders to our remaining fueling vendor, Christensen. It would also add additional funds to cover higher than expected fuel costs.

RECOMMENDATION

Move to adopt Resolution No. 10093

BACKGROUND/ANALYSIS

The City issues annual purchase orders for small items not stocked and routine services needed by departments. The individual goods and services that are procured through purchase orders cost less than the City’s formal bid limits. However, since the aggregate value of these annual purchase orders is expected to exceed \$90,000 in 2022, Council approval is required.

On February 14, Council approval authorized the expenditure of up to \$225,000 on fueling services provided by Christensen (Resolution 10068). Since the time of that approval, two of the City’s fuel vendors, Petrocard and Associated Petroleum, no longer have state contracts, effectively removing them from our approved annual purchase order program. This request is to shift funding from those purchase orders to the remaining vendor (Christensen) as well as increase the purchase order limit due to higher-than-expected fuel costs for the calendar year 2022. The City procured Christensen through a cooperative agreement with Seattle, and on the City of Seattle site Christensen is noted as a minority owned business. The City is under no obligation to purchase any specific amount from the vendor, but rather uses the account on an as-needed basis.

Vendor	Original Amount Requested	Add Funds Request	New Total Funds Requested
Christensen	\$225,000	\$1,275,000	\$1,500,000

The expenditures against the annual purchase order will not exceed the amount listed above without additional Council action.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code

BCC 4.28.040-Competitive bidding: 1. Any purchase of material, supplies, and equipment of \$90,000 or more. BCC 4.28.130-Noncompetitive purchases: B. Small Items Not Stocked. Bellevue City Code grants authority to the Finance & Asset Management Director or his/her designee to purchase items which are not stocked by a department of the City and are available at usual market prices through purchase orders not exceeding \$90,000 in value annually.

BCC 4.28.150 authorizes the City to join in cooperative purchasing arrangements with other public agencies when the best interests of the City would be served thereby.

Fiscal Impact

Since the aggregate value of the annual purchase order is expected to exceed the previous Council approved amount in 2022, Council approval is required. All funds are currently appropriated in the 2022 Operating or Capital Investment Program Budgets.

Original Amount	\$225,000
<u>Add Funds Requested</u>	<u>\$1,275,000</u>
New Total Funds Requested	\$1,500,000 (plus all applicable taxes)

Total expenditures will be monitored by department and procurement services staff and items/services will not be requested from any vendor unless sufficient funds are available to cover the associated costs.

OPTIONS

1. Adopt the Resolution authorizing the Finance & Asset Management Director, or his/her designee, to increase the City's existing annual purchase order with Christensen, Inc., (Christensen), a provider of fuel services, to an amount not to exceed \$1,500,000 plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10093

AVAILABLE IN COUNCIL LIBRARY

N/A