

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 14, 2013

Board Item: V-A- 4

**Authorization of Agreement for Bulk Fuel Purchases
Contract # 15121A**

Action by Consent

Action

Information

Denver Water uses gasoline and diesel fuel for its fleet operations and at its outlying properties. During 2012, the Board purchased approximately 315,250 gallons of unleaded and mid-grade gasoline and 354,600 gallons of diesel fuel for use by fleet vehicles, pump stations, treatment plants, and reservoir operations at a cost of approximately \$1.36 million.

Denver Water has historically purchased its bulk fuels via purchase order utilizing pricing offered through the Multiple Assembly of Procurement Officials (MAPO) contract hosted by Arapahoe County. By aggregating volume among twenty cities, counties, and special districts along the Front Range, MAPO is able to command significant discounts on supplier margins and delivery costs. Hill Petroleum has been the incumbent contractor for the last three MAPO contract periods.

This requirement was recently re-bid on behalf of participating MAPO agencies as RFP #13-38, and representatives from Denver Water Purchasing and Contracting served on the bid evaluation team. Since several pricing options were offered through the RFP, Purchasing and Contracting is recommending that the Board enter into an agreement with the successful bidder, Hill Petroleum, to formalize the preferred pricing structure. Denver Water will pay a daily index price plus margin and delivery, discounted based upon number of gallons ordered.

Funds for this contract are included in the 2013 budget under MPC 4HH0001.

Recommendation:

It is recommended the Board authorize award of Contract No. 15121A to Hill Enterprises, Inc., DBA Hill Petroleum, for bulk fuel purchases for the contract period August 1, 2013, through July 31, 2016, for a total contract amount not to exceed \$5,000,000.00.

Approvals:

Respectfully submitted,



Thomas J. Roode
Director of Operations & Maintenance



James S. Lochhead
CEO/Manager

for 
Angela C. Bricmont
Director of Finance

JAB 8/3/13