



RECEIVED
JUL 01 2016
CITY MANAGER

ACQUISITION APPROVAL

TO: Donald B. Cooper, City Manager

THROUGH: John Morgan, Director of Environmental Services *ML*
Missie Barletto, Assistant Director of Environmental Services *MB*

FROM: Kevin G. Rumell, Fleet Maintenance Superintendent *KR*

DATE: June 29, 2016

SUBJECT: Approve an Emergency Acquisition to Mansfield Oil Company, Inc. for the purchase of bulk fuel for the City's vehicles and equipment.

Background:

On April 23, 2015, Police Chief Jeff Goldman brought it to our attention that the owner of Macmillan Oil Company was under investigation for a fraud scheme involving bulk fuel deliveries to some South Florida Cities and Municipalities. Macmillan Oil Company has been our primary supplier of bulk fuel since 2012.

In anticipation of a possible negative consequence relating to Macmillan Oil Company's issues, and possibly being removed from the State Contract, on May 20, 2015 we sought and received City Commission approval to purchase bulk fuel deliveries from the secondary vendor on the State Contract, Mansfield Oil Company. Approval was granted for up to \$1,500,000 per fiscal year, up to June 30, 2016 when the contract that was in force at the time was set to expire.

On May 23, 2016, the State of Florida, Department of Management Services amended Bulk Fuel State Term Contract #405-000-10-1, extending the contract term through June 30, 2019, including both Macmillan Oil Company and Mansfield Oil Company. On June 21, 2016 City Commission approved purchases of Bulk Fuel from Macmillan Oil Company up to \$1,500,000 per fiscal year through June 21, 2017.

On June 29, 2016, Ms. Jessica Koburger, Contract Manager with the Bureau of Contract Management notified the City that Macmillan Oil Company has been suspended from the State Term Contract. The only other vendor on the State Term Contract serving Palm Beach County is Mansfield Oil Company.

Fleet Maintenance is recommending award to Mansfield Oil Company, Inc. in the estimated amount of \$1,500,000 per fiscal year, through the term of the current contract which expires June 30, 2019 for this emergency acquisition that will be taken to Commission in August for ratification.

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Purchasing Authority

This recommendation complies with the Code of Ordinances, 36.02 (C) (5), Emergency Acquisitions, subject to ratification by the City Commission as soon as possible.

Funding Account Number

Funding is available from 501-3311-591.52-51, CG Fuel Inventory.

<u><i>Neville Favel</i></u>	<u>06/30/2016</u>	<u><i>Donald B Cooper</i></u>	<u>7-1-16</u>
Department Head	Date	City Manager	Date
<i>FOR JOHN MORGAN</i>			
<u><i>Sharon L. Wells</i></u>	<u>6/30/2016</u>		
Purchasing	Date		