



GLWA Procurement

Effective Date:
7/1/2024

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FSA_PRO_TPL_0024

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Document Title:
Procurement Board Report

Document Owner/Department:
Procurement Team

Date: August 5, 2024
To: Suzanne R. Coffey, P.E., Chief Executive Officer
From: Daniel Edwards, Procurement Manager
Re: Procurement Report

General Information

Contract Number:	2402708	Project Owner:	Eric Vlaz
Contract Title:	Gasoline and Diesel Fuel for GLWA		
Vendor:	RKA Petroleum, Inc.		
Budget:	Operations and Maintenance		
Federal/State Funded	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Procurement Method

Specialized Procurement, Cooperative bid hosted by City of Sterling Heights, Michigan/ Michigan Inter-governmental Trade Network (MITN) Communities			
Advertised:	October 20 th , 2023	Addendums released:	1
Buyer:	MITN	Downloaded by:	23
Response due date:	November 14 th , 2023	Responses received:	9

This cooperative agreement was competitively procured by the City of Sterling Heights on behalf of the MITN Communities. The bid is designed so that MITN members pay for fuel according to the daily per-gallon wholesale rack average published by the Oil Price Information Service (OPIS) for the Detroit market, plus an additional delivery fixed fee (bid factor) per gallon. Extra per-gallon charges apply for a premium diesel additive and a winter diesel additive, usually requested from November through March. Fuel is delivered by truck transport for amounts exceeding 5,000 gallons, and by tank wagon for amounts under 5,000 gallons.

Benchmarking was completed by comparing the City of Sterling Heights bids for this project. This analysis confirmed that rates are in competitive range. The rate comparisons and allowances (if any) are illustrated in the attached bid tabulation from the City of Sterling Heights.

Other Data Requested by GLWA Board Members for Recommended Vendor

Minority Business Enterprise (MBE): N/A
Detroit Based Business (DBB): N/A
Small Business Enterprise (SBE): N/A

Sub-Contractor(s) List: N/A
Vendor Response Survey: N/A



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Litigation

This vendor is not currently nor has been previously involved in any litigation with the GLWA.

Financials

A financial risk assessment was performed by the GLWA via Dun & Bradstreet and was determined that the selected vendor has the financial capacity to perform the tasks under this contract. This information is available for the Board of Directors to review upon request.

Previous Contract

Previous contract holder: Crystal Flash, Inc.

The previous contract, Contract No. 2201558, Gasoline and Diesel Fuel Deliveries, was for the period of 10/1/2022 through 9/30/2024, for \$1,440,000.00. The new contract, Contract No. 2402708, Gasoline and Diesel Fuel Deliveries is for \$2,300,000.00 for a period of 487 days (10/01/2024 - 01/31/2026). The option to renew for an additional 730 days (02/01/2026 - 01/31/2028) if exercised by MITN will extend the contract to expire on 01/31/2028. Therefore, the increase in contract costs is tied to a longer contract period.