

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE)	RESOLUTION NO. 97-2496
EXECUTIVE OFFICER TO EXTEND)	
CONTRACTS WITH DEVIN OIL CO., INC.)	Introduced by
AND STEIN OIL CO., INC. FOR)	Mike Burton, Executive Officer
PURCHASING DIESEL FUEL UNTIL)	
JUNE 30, 1998)	

WHEREAS, The Metro Council authorized the executive officer to execute multi-year contracts with Devin Oil Co., Inc. and Stein Oil Co., Inc.; and

WHEREAS, These contracts provided for extension of the contracts to provide additional work for which unit prices were provided, at Metro's discretion; and

WHEREAS, As described in the accompanying staff report, it is in Metro's best interest to extend the contracts for an additional one year period; and

WHEREAS, Per Resolution No. 95-2073A, such extensions require Council approval prior to Metro's exercise of its option to extend the existing agreements; and

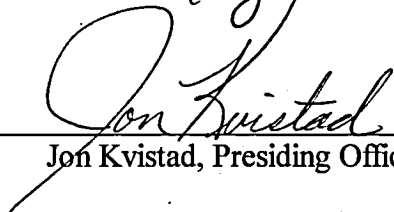
WHEREAS, As a result of these extensions Metro will continue to realize monthly savings of approximately \$45,000 per month; and

WHEREAS, This resolution was submitted to the Executive Officer for consideration and was forwarded to the Metro Council for approval; now therefore,

BE IT RESOLVED,

That the Metro Council authorizes extension of the contract terms for Devin Oil Co., Inc. and Stein Oil Co., Inc. until June 30, 1998.

ADOPTED by the Metro Council this 1st day of May, 1997.



 Jon Kvistad, Presiding Officer

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 97-2496 FOR THE PURPOSE OF AUTHORIZING THE EXECUTIVE OFFICER TO EXTEND CONTRACTS WITH DEVIN OIL CO., INC. AND STEIN OIL CO., INC. FOR PURCHASING DIESEL FUEL UNTIL JUNE 30, 1998.

Date: April 14, 1997

Presented by: Jim Watkins

PROPOSED ACTION

Adopt Resolution No. 97-2496 to authorize the Executive Officer to extend the existing agreements for the purchase of diesel fuel for use in the Waste Transport Services contract, until June 30, 1998.

FACTUAL BACKGROUND AND ANALYSIS

In April, 1994, Metro began purchasing diesel fuel required to transport waste from Metro facilities to the Columbia Ridge Landfill per Change Order No. 15 to the Waste Transport Services Contract. Since Metro purchases the fuel, the federal excise tax of approximately 24 cents per gallon is avoided. These savings accrue to Metro on each of the over 1 million gallons purchased annually. The current agreements to purchase fuel began in April 1995 and will expire June 30, 1997.

The existing contracts contain a provision to extend their terms for a period of up to three additional years in one year increments at the discretion of Metro. Metro has extended the contracts once already for the period July 1, 1996 to June 30, 1997. The extension requested herein would extend the expiration dates for an additional one year period.

The requested extensions would authorize additional work for which unit prices were submitted, consistent with the requirements of Metro Code 2.04.058(a)(1) for contract extensions. Since the original procurement, no new suppliers have become available nor have market conditions changed to the extent that a new procurement would result in a significant additional savings at this time. Metro Council approval is needed for these extensions per Resolution 95-2073A, which required Council approval for extension of the fuel purchase agreements.

The requested one year extensions are the minimum extension lengths required in the agreements.

BUDGET IMPACTS

Metro would continue to save the avoided federal excise tax.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 97-2496.