



FINANCE DEPARTMENT

Purchasing Division 877 Cedar Street Suite 100, Santa Cruz, CA 95060 • 831 420-5080 • Fax: 831 420-5061 • www.cityofsantacruz.com

July 6, 2017

10063

Western States Oil Co
1790 S 10th St
San Jose CA 95112

SUBJECT: Option to Renew Contract #M11-4/10/12 for Fuel, Oil, and Lubricants

Dear Vendor:

In accordance with the terms of the agreement for Fuel, Oil, and Lubricants, made and entered into on April 10, 2012 by and between the City of Santa Cruz and Western States Oil Co, the option to renew the agreement and any amendments for one year is hereby exercised contingent upon all terms and conditions remaining unchanged, with the exception of an oil price increase and the replacement of the B5 and B20 products with renewable diesel, as per the attached contract summary.

The renewed contract will remain in effect from April 1, 2018 until March 31, 2019.

Please sign and return to: Maralise Howze, City of Santa Cruz, Purchasing Division, 877 Cedar Street, Suite 100, Santa Cruz, California, 95060.

WESTERN STATES OIL CO

CITY OF SANTA CRUZ

Steve Lopez
Printed Name

[Signature]
City Manager

President
Title

7/27/18
Date

[Signature]
Signature

7/24/18
Date

I hereby approve the form of the foregoing contract:

[Signature]
City Attorney

7-13-2018
Date



PURCHASING DIVISION CONTRACT FOR FUEL, OIL, & LUBRICANTS

The City contracts with Western States Oil to purchase fuel, oil and lubricants.

Western States Oil (Eden vendor #029237)

Normal Hours

<u>Name</u>		<u>Direct</u>	<u>Cell</u>	<u>Email</u>
Customer Service Line		408-351-2340		wso@lubeoil.com
Scott Olson	Dispatch/Customer Service	408-351-2324	408-529-6382	scottolson@lubeoil.com
Vince Annella	Dispatch/Customer Service	408-351-2323	408-529-2541	vannella@lubeoil.com
Pedro Sanchez	Transportation/Ops Manager	408-351-2321	408-605-9829	psanchez@lubeoil.com

After Hours

<u>Name</u>	<u>Direct</u>
Answering service*	800-743-6950
Scott Olson	Dispatch/Customer Service 408-529-6382
Vince Annella	Dispatch/Customer Service 408-529-2541
Pedro Sanchez	Transportation/Ops Manager 408-605-9780

*Request the answering service to page the on-call personnel.

General Inquiries

<u>Name</u>	<u>Topic</u>	<u>Direct</u>	<u>Cell</u>	<u>Email</u>
Vince Annella	Lubricants	408-351-2323	409-529-2541	vannella@lubeoil.com
Bob Brown	Fuels	408-351-2328		bbrown@lubeoil.com
Kristine Le	Credit/Invoicing	408-351-2317		kle@lubeoil.com

City Purchasing Contact: Maralise Howze, Buyer, x5085

Contact Maralise with any questions about this contract or if you have a problem with this vendor and would like assistance with resolving it.

Contract Period: 4/1/18 – 3/31/19

Summary of Specifications

Pricing includes all costs incidental to delivery and off-loading; no split load fees for fuel deliveries.

The City shall not agree to any minimum order quantities.

Delivery is required within 36 hours of order placement, excluding weekends and holidays.

Fuel shall be blended prior to delivery. Blending at time of delivery and blending in the receipt tank is not permitted.

The City is exempt from federal excise taxation.

Please read WSO's Emergency Response Service Plan on next page.

Western States Oil Pricing

EMERGENCY RESPONSE SERVICE PLAN

In the event that any municipality, district or emergency services call in and require an immediate fuel drop due to an act of God, power outage or any other circumstances, Western States will keep no less than a minimum of (1) one driver on call for afterhours emergencies from 6 pm Saturday until Monday morning when the first Spartan tank line driver starts their shift at 3 am. There will be a primary contact and a back up to that contact in case of the emergency being a large scale or the primary cannot make it in the contracted time. The list will follow a wheel format where two are assigned for a weekend and after that week the list will flow to the two next drivers on the list. As the wheel term describes the names will rotate from the top to the bottom and once the bottom is reached it will return to the top.

As in compensation for the on-call drivers an "on call" fee of \$50 dollars will be paid for the weekend along with time and a half during normal business hours and double time outside of those parameters, with all work being a minimum of 4 hours paid. It will be the said on-call drivers duty to alert management if they know that they will not be able to fulfill the on-call duties that week with a week's notice. The next driver in line will then be placed on-call for that week. On-call drivers will be kept track of by a descending roster and a week ending column right to left. The fuel dispatcher will oversee alerting which driver will be on duty and keeping track of who has been assigned. Co-operations managers will follow up to ensure the process is being followed.

Fuel Deliveries and Pricing

Delivery Location	Fuel Type	Load size (as ordered)	Estimated Annual Quantity	Differential (mark-up over OPIS) \$ per gallon (indicate + or -)
1. Corp Yard	Unleaded 87	4,000 gal (split load w/ B20)	121,900 gal	+0.125
	Unleaded 87	8,600 gal	8,600 gal	+0.125
	Renewable Diesel*	Less than 4,000 gal	21,000 gal	+0.15
	Renewable Diesel*	4,000 gal or more	123,800 gal	+0.15
2. Landfill	Unleaded 87	Less than 4,000 gal	3,800 gal	+0.0325
	Renewable Diesel*	Less than 4,000 gal	21,000 gal	+0.15
	Renewable Diesel*	4,000 gal or more	123,800 gal	+0.15
3. Delaveaga Golf	Unleaded 87	Less than 4,000 gal	3,300 gal	+0.2525
	Diesel red-dyed	Less than 4,000 gal	1,800 gal	+0.2775
4. Wastewater Treatment	Diesel red-dyed	Less than 4,000 gal	1,600 gal	+0.155
5. Water Treatment Plant	Diesel red-dyed	Less than 4,000 gal	700 gal	+0.155
6. Water Pump Station	Diesel red-dyed	Less than 4,000 gal	500 gal	+0.155



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Western States Oil Pricing

The City spends over \$1,200,000 annually on fuel, oil, and lubricants. This amount consists of:

1. A fuel base price which fluctuates.
2. A fixed mark-up (i.e. the market differential) on fuel from the vendor.
3. A fixed price on oil and lubricants from the vendor.
4. All applicable taxes and fees.

The fluctuating fuel base price for gas is the Oil Price Information Service's ("OPIS") Contract Average for San Jose with CAR.

The fluctuating renewable diesel base is the OPIS for San Francisco with CAR.

OPIS is a global benchmark for oil pricing and the City subscribes to their "Cost Plus Validator" service, allowing Purchasing staff to monitor and verify correct fuel pricing. CAR = California Air Resources fee.

Future price increases may be considered by the City with 30 days written notice; the City reserves the right to remove the item from the agreement, if the price increase is not acceptable.

Motor Oil

Product Description	Delivery Method	Product Name	Unit Price \$ per gallon
Premium Conventional SAE 5W-20	Bulk	Service Pro Syn Blend 5W-20 (SN, GF-5)	\$7.00
Premium Synthetic Blend SAE 5W-20	55 gallon returnable drum		\$7.50
	16 gallon quarter drum		\$9.00
Premium SAE 10W-30	55 gallon returnable drum	Service Pro Syn Blend 10W-30 (SN, GF-5)	\$7.50
Re-refined 15W-40 (API CJ-4)	Bulk	Safety-Kleen America's Choice HD 15W-40, XHD- 7, SM CJ-4	\$8.10
Monograde Engine Oil, 15W-40	5 gallon pail	Purus Heavy Duty Fleet 40W	\$9.25
Large Engine Oil, 40W	55 gallon returnable drum	Purus Heavy Duty Fleet 40W	\$8.75
		Family T5X 40W	\$10.35
Heavy Duty SAE 10W	Bulk	Purus Heavy Duty Fleet 10W	\$7.10
Heavy Duty SAE 30W	Bulk	Purus Heavy Duty Fleet 30W	\$7.50
Premium SAE 40	55 gallon returnable drum (transferred by driver to an underground 500 gallon bulk tank)	Conoco Phillips Triton 7010 Geo	\$10.50
		Mobil Pegasus 710	\$12.00
Effluent Natural Gas Engine Oil	55 gallon returnable drum	Conoco Phillips Triton 4000 30W	\$11.50

Western States Oil Pricing

Electrical Insulating Oil		ConocoPhillips Transformer Oil	\$10.15
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Grease, NLGI 2

Product Description	Delivery Method	Product Offered	Current Unit Price \$ per gallon
Extreme Pressure Lithium Complex Grease	120 lb, 16 gallon quarter drum	Shell GADUS S3 V220 C	\$21.00 (or \$2.80 /lb)
Extreme Pressure Lithium Complex Grease With 3% Moly	400 lb drum	ConocoPhillips Megaplex XD-3 EP 2	\$15.75 (or \$2.165 /lb)
Premium Extreme-Pressure, Corrosion Preventive Calcium Sulfonate Grease	120 lb, 16 gallon quarter drum	ConocoPhillips Omnigard 2	\$24.00 (or \$3.20 /lb)

Miscellaneous

Product Description	Delivery Method	Product Offered	Current Unit Price
Diesel Exhaust Fluid	55 gallon returnable drum	Terracair DEF or Airgas DEF	\$2.80
Drum Cleaning Fee			\$0.00
Drum deposit			\$0.00