

Broward County



Legislation Text

File #: 21-1823, Version: 1

Broward County Commission Regular Meeting

Director's Name: Chris Walton

Department: Transportation

Information

Requested Action

MOTION TO APPROVE First Amendment to Agreement with Reladyne, LLC, formerly known as Flamingo Oil Corporation, for Petroleum Products (Solicitation No. TRN2118572B1), to increase the annual contract value from \$1,566,779 to \$2,292,404 for the second term, and the total not-to-exceed maximum three-year contract value from \$4,700,336 to \$6,877,211 due to unforeseen crude oil price increases.

Why Action is Necessary

Board approval is required to amend this agreement.

What Action Accomplishes

Amends agreement with petroleum products vendor to increase the prices for transmission fluids, hydraulic and engine oils, greases, etc. critical for Broward County Transportation Department (BCT) buses as a result of unforeseen crude oil price increases and to reflect the vendor's name change.

Is this Action Goal Related

No

Previous Action Taken

None

Summary Explanation/Background

THE TRANSPORTATION DEPARTMENT AND THE PURCHASING DIVISION RECOMMEND APPROVAL

As background, the County entered into an open-end agreement with Flamingo Oil Corporation for Petroleum Products (Bid No. TRN2118572B1), on July 29, 2020, for the purchase of various petroleum products (Group 3) including transmission fluids, hydraulic and engine oils, greases, etc., critical to the continued operation and maintenance of BCT buses. The term of the initial award was for one-year with two one-year renewals at an estimated maximum contract value of \$4,700,336. At the time the prices for the Group 3 petroleum products did not include a price escalation. Subsequent to the 2nd term, the vendor advised staff that it could not honor the prices of the contract due to unforeseen crude oil price increases. As a result of the price increases for the Group 3 products, the annual contract value would increase from \$1,566,779 to \$2,292,404 for the second term and the total not-to-exceed maximum three-year contract value from \$4,700,336 to \$6,877,211. The vendor also advised staff that Flamingo Oil Corporation had changed its name to Reladyne, LLC.

In response to the vendor's request, staff from the Transportation Department and Purchasing Division conducted a price analysis of other vendors through informal quotes and reviewed the US Department of Labor Statistics PPI Commodity data for Fuels and related products and power-Crude petroleum (domestic production) and found the increased product prices to be consistent with the market. The Office of the County Attorney prepared this First Amendment.

Source of Additional Information

Chris Walton, Director, Transportation Department (954) 357-8360

Fiscal Impact

Fiscal Impact/Cost Summary

Estimated annual funds of \$2,292,404 for the second term of the agreement are available within the Transportation Department's Fiscal Year 2022 budget.