



Broward County

Legislation Text

File #: 22-1469, Version: 1

Broward County Commission Regular Meeting

Director's Name: Tim Garling (Deputy General Manager)

Department: Transportation

Information

Requested Action

MOTION TO APPROVE Second Amendment to Agreement with Reladyne, LLC, formerly known as Flamingo Oil Corporation, for Petroleum Products (Solicitation No. TRN2118572B1_3), to increase the annual contract value from \$2,292,404 to \$2,953,124 for the third term, and the total not-to-exceed maximum three-year contract value from \$6,877,211 to \$7,537,931 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 because of unforeseen crude oil price increases.

Is this Action Goal Related

No

Previous Action Taken

November 4, 2021, Item 7

Summary Explanation/Background

THE TRANSPORTATION DEPARTMENT AND THE PURCHASING DIVISION RECOMMEND APPROVAL

As background, the County entered into an open-end agreement with Reladyne, LLC, formerly known as 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.

On November 4, 2021, Item 7, the Board approved the First Amendment to Agreement with Reladyne, LLC, 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 inflation and crude oil price increases.

Subsequent to the 3rd 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 \$2,292,404 to \$2,953,124 for the third term and the total not-to-exceed maximum three-year contract value from \$6,877,211 to \$7,537,931.

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 Second Amendment.

Source of Additional Information

Tim Garling, Deputy General Manager, Transportation Department (954) 357-8424

Fiscal Impact

Fiscal Impact/Cost Summary

Estimated annual funds of \$2,953,124 for the third term of the agreement are available within the Transportation Department's operating budget.