**OC SAN**
ORANGE COUNTY SANITATION DISTRICT

## Agenda Report Details (With Text)

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| **File #:** | 2021-1690 | **Version:** 1 | **Name:** | |
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| **File created:** | 6/3/2021 | | **In control:** | OPERATIONS COMMITTEE |
| **On agenda:** | 6/23/2021 | | **Final action:** | 6/23/2021 |
| **Title:** | COOPERATIVE PROCUREMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF GENERAL SERVICES FOR FUEL PURCHASE PROGRAM | | | |
| **Sponsors:** | Rob Thompson | | | |
| **Indexes:** | | | | |
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| **Attachments:** | 1. Agenda Report | | | |

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 6/23/2021 | 1 | BOARD OF DIRECTORS | | |
| 6/2/2021 | 1 | OPERATIONS COMMITTEE | Recommended for Approval | |

**FROM:**    James D. Herberg, General Manager
Originator: Rob Thompson, Assistant General Manager

**SUBJECT:**

**COOPERATIVE PROCUREMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF GENERAL SERVICES FOR FUEL PURCHASE PROGRAM**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

A.    Authorize the use of the State of California, Department of General Services Master Service Agreement No. 5-19-99-19 with WEX Bank for Fleet Payment System Services for the period beginning July 1, 2021 through June 30, 2022, for a total not to exceed $250,000, with four one-year renewal options; and

B.    Approve a $50,000 (20%) contingency per year.

**BACKGROUND**

Approval of this action allows the Orange County Sanitation District (OC San) to continue participating in the State of California Fleet Card Program.  Under this program, OC San purchases fuel from fueling stations at a discounted rate.  OC San has purchased fuel for vehicles and the ocean monitoring vessel through the state program since 2009, which provides lower unit fuel costs resulting from larger fuel volumes associated with the cooperative procurement.

The State of California, Department of General Services (DGS), and WEX Bank have recently

entered into a new Agreement for the fuel card payment service. This Agreement with WEX Bank provides OC San a fuel card service. Local political subdivisions are allowed and encouraged to participate under this Cooperative Agreement. Every OC San vehicle and ocean monitoring vessel has a charge card to purchase gasoline or diesel fuel from local fueling stations.

## RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Participate in local, state, and national cooperative purchasing programs

## PROBLEM

The current Agreement between the State of California and the US Bank National Association dba Voyager Fleet Systems (Voyager) for the services of a fuel card payment system expires on June 30, 2021. The State of California went through a new procurement process with WEX Bank being awarded a new Agreement for these services.

## PROPOSED SOLUTION

Approve participation in the State of California, DGS Master Service Agreement with WEX Bank.

## TIMING CONCERNS

The current fuel card agreement between DGS and US Bank (Voyager) expires on June 30, 2021.

## RAMIFICATIONS OF NOT TAKING ACTION

OC San would purchase fuel at increased prices and be required to find other alternatives to fit this need.

## PRIOR COMMITTEE/BOARD ACTIONS

December 2016 - Board approved a purchase order with US Bank (Voyager) for a total amount not to exceed $250,000 with four one-year optional renewals; and approved a $50,000 (20%) contingency per year.

## ADDITIONAL INFORMATION

The new Master Services Agreement is a State of California, DGS competitive procurement led by DGS. WEX Bank was the lowest bidder and received award of the DGS Master Services Agreement. A 20% contingency is requested to allow for variances in market fuel prices and usage rates.

## FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item is budgeted in the fiscal year 2020-21 & 2021-22 budget, Operations and Maintenance Department line

item: Section 6, Page 80.

| Date of Approval | Contract Amount | Contingency |
|---|---|---|
| 06/23/2021 | $250,000 | $50,000 (20%) |

## ATTACHMENT

*The following attachment(s) may be viewed online at the OC San website (www.ocsan.gov) with the complete agenda package:*

N/A

DS:bb:sr:gc