



City of Wheaton  
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City of Wheaton, Illinois

www.wheaton.il.us

**TO:** Don Rose City Manager  
**FROM:** Joan M. Schouten, MBA CPIM CPPB Procurement Officer  
**DATE:** March 28, 2016  
**RE:** Recommendation to Award

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## FUEL

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**Solicitation Process:** DuPage County Competitive Bid  
**Recommended Distributor:** Buchanan Energy

**Fund:** Municipal Garage **Account#:** 60070647-61000 **Account Description:** Fuel, Lubricants **Fiscal Year:** 16-17

**Budget:** \$344,624 is budgeted in the above account for gasoline and diesel fuel. This dollar amount reflects the combined costs of: fuel, taxes, delivery/administrative services. With this award, the delivery/administrative service charges are projected to be \$1,393.

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**Background:** The city's decision to purchase the above Fuel via the DuPage County cooperative contract awarded to **Buchanan Energy** is based on the following:

- The City has participated in the County's fuel contract since October 2011.
- DuPage County conducted a public solicitation inclusive of the needs of their Power Plant and the Forest Preserve District.
  - This solicitation is for the period April 1, 2016 – March 31, 2017 and is renewable for three (3) consecutive one (1) year terms.
  - This award is open for piggy-backs – thus available to the City of Wheaton
  - Eight (8) bidders responded.
- The cost for fuel is based on three variables: fuel, taxes and delivery/administrative service charges
  - The predominant cost is fuel. The contract is priced at the OPIS LOW Chicago Rack Base published price list on the date of delivery.
  - The tax rates are set.
  - The variable cost that drives all bidding is the delivery/administrative service charge.
    - Gasoline is marked-up at \$0.005/gallon
    - Low Sulfur Fuel, Clean Diesel is marked-up at \$0.015/gallon
- The city has budgeted for 157,600 gallons of fuel.
  - 97,100 gallons of gasoline x \$0.005 delivery/administrative service charge = \$485.50
  - 60,500 gallons of diesel x \$0.015 delivery/administrative service charge = \$907.50

**Attachments:** none