



Motor Fuels and Aviation Fuels
Executive Summary

Lead Agency: City of Fort Worth, TX

Solicitation: RFP 14-0121

RFP Issued: June 4, 2014

Pre-Proposal Date: June 19, 2014

Response Due Date: July 10, 2014

Proposals Received: 7



The City of Fort Worth, TX Purchasing Division issued RFP 14-0121 on June 4, 2014, to establish a national cooperative contract for Motor Fuels and Aviation Fuels to include; motor fuels, aviation and jet fuels and Diesel Exhaust Fluid (DEF).

Notice of the solicitation was sent to potential offerors, as well as advertised in the following:

- Fort Worth Star-Telegram
- Hawaii Tribune-Herald, HI
- Daily Journal of Commerce, OR
- The State, SC
- The Olympian, WA
- Times Union, NY
- The Salt Lake Tribune, UT
- National IPA website

On July 10, 2014 proposals were received from the following offerors:

- Gold Star Petroleum
- Indigo Energy
- Littlefield Oil Company
- Mansfield Oil Company

- Martin Eagle Oil Company
- Petroleum Traders
- Truman Arnold Companies (TAC Energy)

The proposals were evaluated by an evaluation committee. Using the evaluation criteria established in the RFP, the committee invited the following firms to participate in an interview:

- Mansfield Oil Company
- Truman Arnold Companies (TAC Energy)
- Martin Eagle Oil Company (Texas agencies only)

The committee evaluated the revised offers, interviews and the relative strengths and weaknesses of each proposal with regard to the evaluation criteria stated in the RFP. As a result, the committee recommended entering into negotiations with the intent to award a contract to the top ranked offerors:

- Mansfield Oil Company (Service Nationwide)
- Truman Arnold Companies (Service Nationwide)
- Martin Eagle (Texas agencies only)

The City of Fort Worth, National IPA and the offerors successfully negotiated contracts and the City of Fort Worth executed contracts with Mansfield Oil Companies, Truman Arnold Companies and Martin Eagle upon approval by City of Fort Worth Council with a contract effective January 1, 2015.

Contract includes:

- Unleaded E10
- Unleaded E85
- Aviation Gas (Finished)
- Jet-A Fuel
- Ultra Low Sulfur Diesel
- Diesel 70/30 Blend
- B2 ULSD
- B5 ULSD
- B10 ULSD
- B15 ULSD
- Diesel Exhaust Fluid (DEF) Tote
- 55 DEF, 2 ½ DEF and 55 DEF Drum Fee
- Compressed Natural Gas (CNG)
- Propane-Liquefied Petroleum Gas (LPG)
- Fuel card program.

Term:

Initial one year agreement from January 1, 2015 through January 1, 2016 with the option to renew for four (4) additional one-year periods through January 1, 2019.

Pricing/Discount:

Fuel procurement is extremely difficult to manage and control. Usage is not easily reduced, particularly in public safety and utilities departments and prices are established via commodity markets with inherent volatility. The City of Fort Worth, TX cooperative agreement allows agencies to effectively manage fuel costs by establishing a verifiable price structure.

The pricing structure is based on the Oil Price Information Service (OPIS) Daily Published Benchmark for each location. OPIS is the world's most widely accepted fuel price benchmark for supply contracts and establishes a verifiable baseline price per gallon based on the date of delivery. Fuel prices offered through the agreement are based on the lowest unbranded published price in each market on the date of delivery, plus the applicable differential per terminal city. Freight charges from the terminal to the set destination will be included. Fuel price may be calculated based on the following formula:

Benchmark Index
+ Market Differential*
+ Freight (direct pass-through cost from supplier)
+ Taxes (if applicable)
= Delivered Price

*The Market Differential is the mark-up added to or subtracted from the benchmark index for a given fuel product, at a given delivery size and are specific to a supplier for a given fuel product in a given Rack City.

Agencies now realize convenience and savings on bulk fuel purchases, as well as efficiency gains through elimination of numerous individual fuel contract bids.

Comprehensive Analysis

Due to the many factors affecting motor fuel pricing (including daily commodity pricing fluctuations, multiple industry pricing benchmarks, and varying fuel products available in each market) an accurate analysis of the national program involves many dynamic variables. TACenergy, Martin Eagle and Mansfield Oil can help provide an analysis specific for your agency for your unleaded, diesel and aviation fuel requirements.

You will be asked to provide copies of recent invoices for each fuel product purchased (including freight and taxes), along with the pricing benchmark and related mark-up being used to price your current fuel purchases. A historical analysis will be completed comparing your current program to the fuel contract available through National IPA. Spot-checking pricing for individual days is not recommended due to averages, daily volatility, historical trends in each Rack City and other factors.

For assistance with analysis of the award, please contact:

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