

This meeting is being held via telephonic attendance.

**AGENDA
SPECIAL PUBLIC WORKS & UTILITIES COMMITTEE
Village of Hoffman Estates**

July 6, 2020

Immediately following Planning, Building and Zoning Committee

Members:	Anna Newell, Chairperson	Gary G. Stanton, Trustee
	Michael Gaeta, Vice Chairperson	Karen J. Arnet, Trustee
	Gary Pilafas, Trustee	William McLeod, Mayor
	Karen V. Mills, Trustee	

I. Roll Call

NEW BUSINESS

1. Request authorization for the Village to participate in the Northwest Municipal Conference (NWMC) Suburban Purchasing Cooperative (SPC) for a one-year contract with Al Warren Fuel Co., Hammond, IN, for joint purchase of diesel fuel and gasoline.

II. Adjournment

(Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at www.hoffmanestates.org and/or in person in the Village Clerk's office).

The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance call the ADA Coordinator at 847/882-9100.

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Request authorization for the Village to participate in the Northwest Municipal Conference (NWMC) Suburban Purchasing Cooperative (SPC) for a one-year contract with Al Warren Fuel Co., Hammond, IN, for joint purchase of diesel fuel and gasoline.

MEETING DATE: July 6, 2020

COMMITTEE: Special Public Works & Utilities

FROM: Joseph Nebel, Director of Public Works
Kelly Kerr, Assistant Director of Public Works
Joe Capiga, Fleet Supervisor

PURPOSE: To participate in the current fuel contract with Al Warren Fuel Co., Hammond, IN.

BACKGROUND: The Village has purchased fuel through this joint purchasing organization since 2001. On June 30, 2020, the Suburban Purchasing Cooperative Governing Board approved a one year contract with Al Warren Fuel Co., Hammond, IN. The SPC reserved the right to extend the contract for (3) additional (1) one-year periods under the same terms and conditions of the original contract. A letter regarding the contract is attached along with information and pricing related to the original contract.

DISCUSSION: Staff recommends the continuation of participating in the Joint Purchase Program contract for fuel purchase from Al Warren Fuel Co., Hammond, IN. This contract provides the Village a fuel supply at an extremely competitive cost. By pooling the fuel demands of many municipalities we are able to secure better pricing.

FINANCIAL IMPACT: The recommended action will result in cost savings for both unleaded gasoline and diesel fuel. There is a total of \$526,800 budgeted for fuel in 2020. To date the average cost per gallon for 2020 has been \$1.68/gallon for unleaded and \$1.87 /gallon for diesel.

RECOMMENDATION:

Request authorization for the Village participate in the Northwest Municipal Conference (NWMC) Suburban Purchasing Cooperative (SPC) for a one-year contract with Al Warren Fuel Co., Hammond, IN. for joint purchase of diesel fuel and gasoline.

Attachments

From: Ellen Dayan [<mailto:redayan@nwmc-cog.org>]
Sent: Tuesday, June 30, 2020 2:03 PM
To: publicworksdirectors@nwmc-cog.org
Cc: sokon@alwarrenoil.com
Subject: New SPC Fuel Contract #198 Effective July 6

[External]

The Suburban Purchasing Cooperative (SPC) is pleased to announce the award of the 2020 Gasoline (87, 89, & 92 Octane), Diesel Fuel, Ethanol 75 & 85 and B20 Bio Diesel Fuel Contract (#198) to Al Warren Oil Co., Inc. based on being the lowest responsible, responsive bid and in compliance with all bid specification requirements. The duration of the Contract shall be July 6, 2020 through July 5, 2021. The SPC reserves the right to extend the contract for (3) three additional (1) one year periods under the same terms and conditions of the original contract.

Al Warren Oil Co., Inc., Hammond, IN will handle all billing.

The SPC contact for Al Warren Oil, Inc. is:

Shaleen Okon | Sales Representative
1646 Summer Street | Hammond, IN 46320 | sokon@alwarrenoil.com
(312) 881-9324 Cell | (219) 228-5259 Fax



Please feel free to contact me or Shaleen (Shay), if you have any questions.

Have a great holiday!

Regards,
Ellen

Ellen Dayan, CPPB
Purchasing Director
Northwest Municipal Conference
1600 E. Golf Road, Suite 0700
Des Plaines, IL 60016
847-296-9200 ext. 132
edayan@nwmc-cog.org
SPC-IL.ORG

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*A Joint Purchasing Program
For Local Government Agencies*

June 30, 2020

Ms. Shaleen Okon
Sales Representative
Al Warren Oil Co., Inc.
1646 Summer Street
Hammond, IN 46320

Dear Ms. Okon,

This letter is to inform you that the Suburban Purchasing Cooperative (SPC) Governing Board has approved the award of the 2020 Gasoline (87, 89, & 92 Octane), Diesel Fuel, Ethanol 75 & 85 and B20 Bio Diesel Fuel Contract (#198) to Al Warren Oil Co., Inc. based on your response being the lowest responsible, responsive bid and in compliance with all bid specification requirements.

With acceptance of this contract, Al Warren Oil Co., Inc. agrees to all terms and conditions set forth in the specifications contained within the Request for Proposals to which you responded.

The duration of the contract is Contract shall be July 6, 2020 through July 5, 2021. The SPC reserves the right to extend the contract for (3) three additional (1) one year periods under the same terms and conditions of the original contract.

Al Warren Oil Co., Inc., Hammond, IN will handle all billing.

Al Warren Oil Co., Inc. shall remit to the NWMC Purchasing Manager on a quarterly basis, an amount equal to 0.5 % of the total dollar volume for the quarter. Contractor must furnish a report of purchases made from the contract by the last of the month following the end of each fiscal quarter:

- Quarter 1 - May, June, July, due August 31
- Quarter 2 - August, September, October, due November 30
- Quarter 3 - November, December, January, due February 28
- Quarter 4 - February, March, April, due May 31

This report is to be submitted to the NWMC Purchasing Director in Excel via email to cdayan@nwmc-coop.org, and mailed to 1600 East Golf Road, Suite 0700, Des Plaines, Illinois 60016 and shall include the following information: ordering municipality, date of order, date of delivery, item descriptions, total quantity delivered, item price (including mark-up and applicable taxes), total order extended price, and total volume for the quarter.

*DuPage Mayors &
Managers Conference*
1220 Oak Brook Road
Oak Brook, IL 60153
Suzette Quinell
Phone: (630) 571-0180
Fax: (630) 571-0481

*Northwest Municipal
Conference*
1600 East Golf Rd., Suite 0700
Des Plaines, IL 60016
Ellen Dayan, CPPB
Phone: (847) 296-9200
Fax: (847) 296-9207

*South Suburban Mayors
And Managers Association*
1904 West 174th Street
East Hazel Crest, IL 60429
Kristi DeLaurentis
Phone: (708) 206-1155
Fax: (708) 206-1133

*Will County
Governmental League*
3180 Theodore Street, Suite 101
Joliet, IL 60435
Cherie Belom
Phone: (815) 729-3535
Fax: (815) 729-3536

The SPC looks forward to a productive year working with Al Warren Oil Co., Inc. Please sign and date this agreement below, retaining copies for your files and returning the original to my attention.

Sincerely,



Ellen Dayan, CPPB
Purchasing Director
Northwest Municipal Conference



06/30/2020

Name: Ellen Dayan
Northwest Municipal Conference

Date



6/30/20

Name: Sharon Okon
Al Warren Oil Co., Inc.

Date

*DuPage Mayors &
Managers Conference*
1220 Oak Brook Road
Oak Brook, IL 60523
Suzette Quintell
Phone: (630) 571-0480
Fax: (630) 571-0484

*Northwest Municipal
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1600 East Golf Rd., Suite 0700
Des Plaines, IL 60016
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Cherie Belon
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Fax: (815) 729-3536

2020 Fuel RFP #198 Prices by Item

Item #	Revised Schedule of Prices RFP #198 Addendum #1	Al Warren Oil				St. Marys Petroleum				
		\$	UOM	Est. Quant	Unit Price	Ext \$	\$	UOM	Est. Quantity	Unit Price
	OPIS Chicago Index Low Rack	1.5473	Gallon			1.5473	Gallon			
	Profit/Overhead	0.1800	Gallon			0.2000	Gallon			
	Total Cost/gallon (Net Taxes)	1.7273	Gallon			1.7473	Gallon			
	Extended Total			100,000	\$ 1.7273			100,000	\$1.7473	\$174,730
17	Grade #1 Diesel Fuel Deliveries >2,500 gallons but <6,000 gallon									
	OPIS Chicago Index Low Rack	1.5473	Gallon			1.5473	Gallon			
	Profit/Overhead	0.0800	Gallon			0.1500	Gallon			
	Total Cost/gallon (Net Taxes)	1.6273	Gallon			1.6973	Gallon			
	Extended Total			100,000	\$ 1.6273			100,000	\$1.6973	\$169,730
18	Grade #1 Diesel Fuel Deliveries <6,000 gallons									
	OPIS Chicago Index Low Rack	1.5473	Gallon			1.5473	Gallon			
	Profit/Overhead	0.0450	Gallon			0.0565	Gallon			
	Total Cost/gallon (Net Taxes)	1.5923	Gallon			1.6038	Gallon			
	Extended Total			100,000	\$ 1.5923			100,000	\$1.6038	\$160,380
19	E70 Ethanol Deliveries <2,500 gallons									
	OPIS Chicago Index Low Rack	1.3097	Gallon			1.3097	Gallon			
	Profit/Overhead	0.1800	Gallon			0.2000	Gallon			
	Total Cost/gallon (Net Taxes)	1.4897	Gallon			1.5097	Gallon			
	Extended Total			100,000	\$ 1.4897			100,000	\$1.5097	\$150,970
20	E70 Ethanol Deliveries >2,500 gallons but <6,000 gallon									
	OPIS Chicago Index Low Rack	1.3097	Gallon			1.3097	Gallon			
	Profit/Overhead	0.0800	Gallon			0.1500	Gallon			
	Total Cost/gallon (Net Taxes)	1.3897	Gallon			1.4597	Gallon			
	Extended Total			100,000	\$ 1.3897			100,000	\$1.4597	\$145,970
21	E70 Ethanol Deliveries >6,000 gallons									
	OPIS Chicago Index Low Rack	1.3097	Gallon			1.3097	Gallon			
	Profit/Overhead	0.0450	Gallon			0.0565	Gallon			
	Total Cost/gallon (Net Taxes)	1.3547	Gallon			1.3662	Gallon			
	Extended Total			100,000	\$ 1.3547			100,000	\$1.3662	\$136,620
22	B2 Bio Diesel Fuel Deliveries <2,500 gallons									
	OPIS Chicago Index Low Rack	1.1410	Gallon			1.1410	Gallon			
	Profit/Overhead	0.1800	Gallon			0.2000	Gallon			
	Total Cost/gallon (Net Taxes)	1.3210	Gallon			1.3410	Gallon			
	Extended Total			100,000	\$ 1.3210			100,000	\$1.3410	\$134,100
23	B2 Bio Diesel Fuel Deliveries >2,500 gallons but <6,000 gallon									
	OPIS Chicago Index Low Rack	1.1410	Gallon			1.1410	Gallon			
	Profit/Overhead	0.0900	Gallon			0.1500	Gallon			
	Total Cost/gallon (Net Taxes)	1.2310	Gallon			1.2910	Gallon			
	Extended Total			100,000	\$ 1.2310			100,000	\$1.2910	\$129,100
24	B2 Bio Diesel Fuel Deliveries >6,000 gallon									
	OPIS Chicago Index Low Rack	1.1410	Gallon			1.1410	Gallon			
	Profit/Overhead	0.0450	Gallon			0.0565	Gallon			
	Total Cost/gallon (Net Taxes)	1.1860	Gallon			1.1975	Gallon			
	Extended Total			100,000	\$ 1.1860			100,000	\$1.1975	\$119,750
25	B5 Bio Diesel Fuel Deliveries <2,500 gallons									
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon			
	Profit/Overhead	0.1800	Gallon			0.2000	Gallon			
	Total Cost/gallon (Net Taxes)	1.3164	Gallon			1.3364	Gallon			
	Extended Total			100,000	\$1.3164			100,000	\$1.3364	\$133,640
26	B5 Bio Diesel Fuel Deliveries >2,500 gallons but <6,000 gallon									
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon			
	Profit/Overhead	0.0800	Gallon			0.1500	Gallon			
	Total Cost/gallon (Net Taxes)	1.2164	Gallon			1.2864	Gallon			
	Extended Total			100,000	\$ 1.2164			100,000	\$1.2864	\$128,640
27	B5 Bio Diesel Fuel Deliveries >6,000 gallon									
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon			
	Profit/Overhead	0.0450	Gallon			0.0565	Gallon			
	Total Cost/gallon (Net Taxes)	1.1814	Gallon			1.1929	Gallon			
	Extended Total			100,000	\$ 1.1814			100,000	\$1.1929	\$119,290
28	B11 Bio Diesel Fuel Deliveries <2,500 gallons									
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon			
	Profit/Overhead	0.1800	Gallon			0.2000	Gallon			
	Total Cost/gallon (Net Taxes)	1.3164	Gallon			1.3364	Gallon			
	Extended Total			100,000	\$1.3164			100,000	\$1.3364	\$133,640
29	B11 Bio Diesel Fuel Deliveries >2,500 gallons but <6,000 gallon									
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon			
	Profit/Overhead	0.0800	Gallon			0.1500	Gallon			
	Total Cost/gallon (Net Taxes)	1.2164	Gallon			1.2864	Gallon			
	Extended Total			100,000	\$ 1.2164			100,000	\$1.2864	\$128,640
30	B11 Bio Diesel Fuel Deliveries >6,000 gallon									
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon			
	Profit/Overhead	0.0450	Gallon			0.0565	Gallon			
	Total Cost/gallon (Net Taxes)	1.1814	Gallon			1.1929	Gallon			
	Extended Total			100,000	\$ 1.1814			100,000	\$1.1929	\$119,290
31	B20 Bio Diesel Fuel Deliveries <2,500 gallons									
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon			

2020 Fuel RFP #198 Prices by Item

Item #	Revised Schedule of Prices RFP #198 Addendum #3	Al Warren Oil				St. Marys Petroleum					
		\$	UOM	Est. Quantiti	Unit Price	Ext \$	\$	UOM	Est. Quantity	Unit Price	Ext \$
	Profit/Overhead	0.1800	Gallon			0.2000	Gallon				
	Total Cost/gallon (Net Taxes)	1.3164	Gallon			1.3364	Gallon				
	Extended Total			100,000	\$1.3164			100,000	\$1.3364	\$133,640	
32	B20 Bio Diesel Fuel Delivers >2,500 gallons but <6,000 gallon										
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon				
	Profit/Overhead	0.0800	Gallon			0.1500	Gallon				
	Total Cost/gallon (Net Taxes)	1.2164	Gallon			1.2864	Gallon				
	Extended Total			100,000	1.2164	\$121,640		100,000	\$1.2864	\$128,640	
33	B20 Bio Diesel Fuel Delivers >6,000 gallon										
	OPIS Chicago Index Low Rack	1.1364	Gallon			1.1364	Gallon				
	Profit/Overhead	0.0450	Gallon			0.0565	Gallon				
	Total Cost/gallon (Net Taxes)	1.1814	Gallon			1.1929	Gallon				
	Extended Total			100,000	1.1814	\$118,140		100,000	\$1.1929	\$119,290	
GRAND TOTAL						\$4,596,760					\$4,587,351

Additional Comments:

No additional delivery freight fee charge for < 1,000 gallons

St. Marys Petroleum states the maximum rebate provided will be .015 cents per gallon purchased, for example: 0.0556 average price of fuel at \$3.00 per gallon versus SPC stated fuel rebate is .5% on all purchases
 Gallons less than 1,000 charges:
 0-150 \$.80 margin plus \$3.00
 151-200 .80 margin plus \$75
 201-400 .55 margin
 401-600 .35
 601-1000 .25