

STAFF REPORT*CITY OF OCEANSIDE*

DATE: November 28, 2012

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **PURCHASE ORDER FOR A FUEL MANAGEMENT SYSTEM FOR THE PUBLIC WORKS DEPARTMENT; BUDGET APPROPRIATION IN THE AMOUNT OF \$157,709 FROM THE FLEET UNRESTRICTED FUND BALANCE TO THE FLEET REPLACEMENT FUND**

SYNOPSIS

Staff recommends that the City Council approve a purchase order in an amount not to exceed \$157,709 to Orpak USA of Hackensack, New Jersey, for a fuel management system for the Public Works Department; and authorize the Financial Services Director, or designee, to execute the purchase order; and approve a budget appropriation in the same amount from the Fleet Unrestricted Fund to the Fleet Replacement Fund to fund the purchase.

BACKGROUND

Fleet manages three fueling sites within the City located at the City Operations Center, Fire Station #3 and Oceanside Police Department. The existing fuel management system was installed almost 20 years ago, is antiquated and lacks the ability to sufficiently control the fuel inventory. The new system will allow staff to accurately account for fuel usage and reduce consumption by an estimated 6 percent by the elimination of unauthorized fueling, reduced spillage, and vehicle idle monitoring. The system will also eliminate cross fueling and provide more efficient vehicle operation by notifying staff of engine problems in real time as they occur. Scheduled preventive maintenance costs will also be reduced by providing accurate mileage and engine hour readings as well as error code monitoring.

ANALYSIS

The purchase of the new fuel management system has the potential to save the City an estimated \$100,000 per year. Fleet has an annual fuel budget of approximately \$1,400,000 and inventory control can be achieved only by using a management system.

The City of San Diego purchased the same system in 2010 and staff will piggyback off its RFP, which meets the requirements of City Code Chapter 28A.

FISCAL IMPACT

The total cost of the fuel management system is \$157,709 and will be funded from the Fleet Unrestricted Fund (Fund # 831.3100.0028) after being appropriated to the Fleet Replacement Fund (Fund # 620609831.5704).

COMMISSION OR COMMITTEE REPORT

Does not apply.

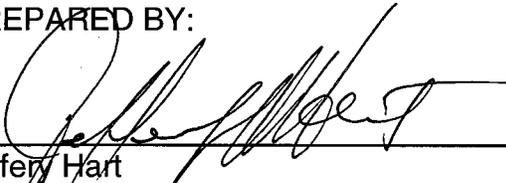
CITY ATTORNEY'S ANALYSIS

Purchases should be made according to the procedures set forth in Chapter 28A of the City Code.

RECOMMENDATION

Staff recommends that the City Council approve of a purchase order in an amount not to exceed \$157,709 to Orpak USA of Hackensack, New Jersey, for a fuel management system for the Public Works Department; and authorize the Financial Services Director, or designee, to execute the purchase order; and approve a budget appropriation in the same amount from the Fleet Unrestricted Fund to the Fleet Replacement Fund to fund the purchase.

PREPARED BY:



Jeffery Hart
Fleet Supervisor

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



Kiel Koger, Maintenance and Operations Manager



Terri Ferro, Financial Services Director





**CITY OF OCEANSIDE
ADMINISTRATIVE DIRECTIVE**

BUDGET CHANGE FORM

NUMBER
AD-17

ISSUE DATE:
12/1/2008

DATE: 10/18/2012

TO: City Manager

FROM: KIEL KOGER, PUBLIC WORKS
DIVISION MANAGER

Source of Funds or Transfer from:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
<u>FLEET UNRESTRICTED FUND</u>	<u>831.3100.0028</u>	<u>\$ -157,709</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

New Appropriation or Transfer to:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
<u>FLEET REPLACEMENT FUND</u>	<u>620609831.5704</u>	<u>\$ 157,709</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Justification for Change: Purchase of a new Fuel Management System

Department Director: Kiel Koger **Date:** 10/18/2012

Financial Services Director: _____ **Recommended:** Yes No

City Manager: _____ **Approved:** Yes No

Note: If this change requires City Council approval attach the Council Staff report. Attach any information necessary to inform the reviewing parties. If bidding is required please attach the required bid document. If a new account number is required Financial Services will establish the new number. If this change requires a change to the distribution of an existing position, complete the sections above. If the change involves the addition, elimination, reclassification or compensation of a position, complete the reverse side of this form.

