

City Council – Action Request Form

Date: August 21, 2017

To: The City Manager

From: Jerry Bates, Purchasing Director

Council Action Requested:

Adoption of Resolution Authorizing a Change Order for Routh Oil Company, Inc.

Summary of Information:

The City of Winston-Salem’s Fleet Services Department and City/County Utilities Hanes Mill Road Landfill and Old Salisbury Landfill has periodic needs for delivery services of off road diesel fuel during those occasions when the City’s only fuel truck breaks down or the driver is unavailable. Routh Oil Company, Inc., located in Kernersville, NC, is the only business that will provide off road diesel fuel and delivery services to the landfill operations as needed. Historical spend information indicates that City Fleet Services Department spends an estimated \$50,000 per year for these services when the City’s fuel truck is unavailable.

To comply with City policy the department prepared a blanket purchase order request for the purchase and delivery services of off road diesel fuel in the amount of \$50,000 for the FY 2016-17 which was approved by the City Manager. During the final months of the fiscal year the City’s fuel truck was not available causing the City operations to rely on Routh Oil Company, Inc. to make regular deliveries which exceeded the original amount of the blanket purchase order.

The City Manager has approval authority for change orders up to \$100,000; however, two final invoices for product and services provided during FY 2017 made the total amount of all change orders \$142,000, exceeding the City Manager authority. Additionally, the invoices were received too late for consideration at the Council’s June meeting. Considering these circumstances staff was advised to make payments and provide the Council details of the action taken; therefore, it is recommended that the Council approve the actions taken to make necessary payments totalling \$42,000 that exceeded the City Manager authority for product and services rendered in FY 2017.

Committee Action:

Committee	Finance 8/14/17	Action	Approval
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For	Unanimous	Against	
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Remarks: