



COLLIN COUNTY

Public Works Department
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3 February 2012

TO Judge Keith Self
FROM Jon Kleinheksel, Director of Public Works *K*
RE Award of Bid
Fuels, IFB 01113-12

Public Works recommends award of the contract for Fuels, IFB 01113-12, to the lowest responsive bidder, Martin Eagle Oil Company.

A copy of the bid tabulation is attached, along with our spreadsheet showing the typical delivery costs for a three-month period based on this proposed contract pricing.

These costs do not reflect the cost of the fuel, which changes daily (based on the daily OPIS (Oil Price Information Service) pricing for the product on the date of delivery), nor any state taxes, or other state mandated fees or costs. These numbers represent only the delivery costs which we pay for the fuel transport to our locations (which are added to the fuel price per gallon).

This contract will replace our previous contract with Martin Eagle which was terminated on January 27, 2012 for reason that supplier could not absorb the cost per gallon increase due to the federal government's failure to renew the tax credit for ethanol. The new contract reflects the effect of not having that tax credit, essentially increasing our costs by approximately \$0.05/per gallon.