

MEMORANDUM

To: Members of the City Commission

From: Lisa Agnor, City Manager

Date: March 4, 2016

Subject: Approval of a contract and agreement (Extension #2) between the City of Marshall and Pete McCarty Oil Company, Inc. for the supply of unleaded and diesel fuel for the City of Marshall

Don Davidson, President of Pete McCarty Oil Co., Inc. of Marshall, Texas has requested a one year extension of the current contract and agreement for for Pete McCarty Oil Co., Inc. to supply the City with diesel and unleaded fuels for the City's vehicles. Mr. Davidson is making this request for extension with no increase in his profit margin. If approved, this extension would cover a period including April 1, 2016 through March 31, 2017.

The City advertised and awarded the bid to Pete McCarty Oil Co., Inc. for unleaded and diesel fuel in 2014. The contract awarded allows for extension for a second and third period. This would be the second extension.

RECOMMENDATION

I recommend that the City Commission approve this second extension request from Pete McCarty Oil Co., Inc., of Marshall, Texas, as it relates to Bid No. 2014 F(2).

CITY OF MARSHALL, TEXAS
(Bid No. 2014 F(2))

Contract and Agreement
Extension #2

This contract and agreement (Extension #2) is entered into by and between the City of Marshall, Texas and Pete McCarty Oil Co., Inc. of Marshall, Texas.

I. Contracting Parties:

Receiving Party: City of Marshall, Texas

Performing Party: Pete McCarty Oil Co., Inc.

II. Statement of Services to be performed:

Furnish 87 octane unleaded fuel and Number 2 diesel fuel to the City of Marshall within the time period designated and for the price(s) stated by the bidder in their bid proposal for Bid No. 2014 F (2) signed and dated on March 6, 2014.

III. Contract Amount:

Pete McCarty Oil Co. Inc. of Marshall, Texas agrees to furnish approximately 120,000 gallons of 87 octane unleaded fuel and approximately 50,000 gallons of Number 2 diesel fuel to the City of Marshall for a profit margin of **\$0.09/per gallon**.

IV. Payment for Goods or Services:

The Receiving Party shall pay the Performing Party for goods or services within thirty (30) days from receipt of properly submitted itemized bill(s) signed by authorized City employees.

V. Term of Contract:

Period of Contract: This contract extension is to begin on **April 1, 2016** and end on **March 31, 2017**.

The City of Marshall reserves the right to extend the contract(s) for a third annual period provided both parties agree to such extension in writing no less than sixty (60) days prior to the end of the annual period and is also conditioned that any annual increase is not higher than the CONSUMER PRICE INDEX for the previous twelve (12) month period.

VI. Patent and Royalty Disclaimer:

The bidder, without exception, shall indemnify and save harmless the City of Marshall and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patent or unpatented invention, process or article manufactured or used in the performance of the contract including its use by the City of Marshall. If the bidder uses any design, device or materials covered by patent copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or cost arising from use of such design, device in any way involved in the work.

RECEIVING PARTY

Receiving Party certifies that it has authority to contract for the above services.

City of Marshall, Texas
P.O Box 698
Marshall, Texas

Name of Receiving Party

Authorized Signature

Date

PERFORMING PARTY

The undersigned signatory for the Performing Party hereby represents and warrants that she/he is an officer of the organization for which she/he has executed this Contract; and that the officer has full and complete authority to enter into this contract on behalf of the Performing Party.

Pete McCarty Oil Co., Inc.
P.O. BOX 1436
Marshall, TX 75671

Name of Performing Party

Authorized Signature

Date