



Memo

To: Board of Directors
From: Karl B. Drew
Date: January 17, 2014
Subject: District Vehicle Fuel Purchases

In October 2013 we reported to you that the County of San Bernardino was planning on ending its vehicle fueling services for non-County organizations. They later indicated they would continue the fueling services but would require contracts with all the participating organizations. We have received the contract and are presenting it to the Board for their review and approval.

The contract has been reviewed by our general counsel and he has not recommended any changes.

We have calculated preliminary costs to install our own fuel tanks. Using the fee schedule included with the County contract, it would take approximately 20 years to pay back the cost of purchasing and installing our own tanks. This does not include any ongoing maintenance and permitting fees that would be required.

It is our recommendation to approve the County contract for vehicle fueling services and to authorize the General Manager to sign the contract on behalf of the District. The contract needs to be signed and returned to the County before February 1, 2014.

FLEET MANAGEMENT DEPARTMENT



COUNTY OF SAN BERNARDINO

210 North Lena Road • San Bernardino, CA 92415-0842
(909) 387-7870 • Fax (909) 387-8001
Internet Site: www.sbcounty.gov/fltm

ROGER WEAVER
Director

January 7, 2014

Crestline Village Water District
P. O. Box 3347
Crestline, CA 92325

Dear Ms. Davis,

In September of 2013, we notified your organization that County Fleet services would be terminated effective November 1, 2013 due to changes in County business practices. Due to the number of responses indicating this action would create hardship, the termination date was extended to February 1, 2014 (for fuel purchases only). Parts and labor services are no longer provided to non-county organizations. A small number of organizations have formal contracts for fuel, parts and/or labor that will be honored until they expire in mid-2014.

As explained in the earlier extension letter, I have been working with the County Administrative Office to develop a "standardized" contract for fuel sales. On December 3, 2013, the Board approved the agreement and authorized me to execute the standardized contract for fuel sales on behalf of the County. Enclosed is the contract for your review and consideration. The contract will be effective for an initial three (3) year term, and may be extended for two (2) additional one-year periods by mutual agreement. The contract also includes termination language with 30 days written notice.

Please review the contract carefully, and if you are interested/agree, have an authorized officer complete and sign two copies in blue ink and return to me. I will then sign for the County and return an original for your records.

As mentioned in the extension letter, any changes to the standardized contract will necessitate another full review by County staff and my return to the Board for final review/approval. If this occurs, the delay is very likely to extend beyond the February extension – your organization could be without fuel purchase authority until the changed contract is approved.

Thank you for your patience and understanding as we venture into this new arrangement. Accordingly, if you have any questions or comments, please feel free to contact me at 909.387.7870.

Sincerely,

Roger G. Weaver, Director
Fleet Management Department

GREGORY C. DEVEREAUX
Chief Executive Officer

Board of Supervisors
ROBERT A. LOVINGOOD, First District JAMES RAMOS Third District
JANICE RUTHERFORD Second District GARY C. CVITT Fourth District
JOSIE GONZALES, Fifth District



FOR COUNTY USE ONLY

County of San Bernardino
F A S
STANDARD CONTRACT

<input checked="" type="checkbox"/> New	FAS Vendor Code		SC	Dept. FLT	A	Contract Number			
<input type="checkbox"/> Change									
<input type="checkbox"/> Cancel									
ePro Vendor Number					ePro Contract Number				
County Department Fleet Management Department				Dept.	Orgn.	Contractor's License No.			
County Department Contract Representative Roger Weaver, Director				Telephone (909) 387-7870		Total Contract Amount			
Contract Type <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:									
If not encumbered or revenue contract type, provide reason:									
Commodity Code		Contract Start Date		Contract End Date		Original Amount	Amendment Amount		
						\$			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No	Amount			
						\$			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
						\$			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
						\$			
Project Name				Estimated Payment Total by Fiscal Year					
				FY	Amount	I/D	FY	Amount	I/D

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name
 Crestline Village Water District hereinafter called Customer

P. O. Box 3347

Crestline, CA 92325
 Telephone Federal ID No. or Social Security No.
 (909) 338 - 1727

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, Customer requests vehicle fueling services; AND

WHEREAS, the County is qualified and has excess capacity to the needs of the County to provide these services; AND

WHEREAS, Customer desires that such services be provided by the County and the County agrees to perform these services as set forth below;

NOW, THEREFORE, the parties hereto enter into this Contract as a full statement of their respective responsibilities during the term of this Contract, and in consideration of the representations made above and the covenants and conditions set forth herein, the parties agree as follows:

Auditor-Controller/Treasurer Tax Collector Use Only	
<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

I. COUNTY RESPONSIBILITIES

- a. The County will provide access to all "unrestricted" County fueling sites as requested by Customer.
 - 1. A small number of County fuel sites are restricted due to security and/or regulatory requirements.
 - 2. A list of "unrestricted" fuel sites will be provided to Customer upon request.
- b. The County will assign each of the customer's drivers a "PIN" (Personal Identification Number) that is required to be used when obtaining fuel from the County's fuel sites.
- c. The County will provide a list of costs (per gallon markup which is added to the County's product cost) upon initiation of this agreement and annually thereafter as soon as practical after Board of Supervisor's approval. New annual rates are effective July 1st of each year.

II. CUSTOMER RESPONSIBILITIES

- a. Customer shall provide a list of authorized drivers and vehicle numbers that may purchase fuel at the initiation of this agreement, annually, or as changes occur, so that PINs may be assigned.

III. GENERAL CONTRACT REQUIREMENTS

a. **Legality and Severability**

The party's actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full effect.

b. **Primary Point of Contact**

Customer will designate an individual to serve as the primary point of contact for the Contract. Customer must respond to County inquiries within two (2) business days. Customer shall not change the primary contact without written acknowledgement to the County. Customer will also designate a back-up point of contact in the event the primary contact is not available.

c. **Agreement Authorization**

Customer warrants and represents that the individual signing this agreement is a properly authorized representative of the Customer and has the full power and authority to enter into this contract on the Customer's behalf.

d. **Assignment**

This agreement, or any interest therein, including any claims for monies due with respect thereto, shall not be assigned, and any such assignment shall be void and without effect.

e. **Agreement Modification**

Both parties agree that any alterations, variations, modifications, or waivers of the provisions of the Contract, shall be valid only when reduced to writing, executed and attached to the original

Contract and approved by the person(s) authorized to do so on behalf of the Customer and the County.

f. Mutual Covenants

The parties to this Contract mutually covenant to perform all of their obligations hereunder, to exercise all discretion and rights granted hereunder, and to give all consents in a reasonable manner consistent with the standards of "good faith" and "fair dealing".

g. Contract Exclusivity

This is not an exclusive Contract. Customer reserves the right to enter into a contract with other contractors for the same or similar services. The Customer does not guarantee or represent that the County will be permitted to provide any minimum amount of fuel, or receive compensation other than on a per usage basis, under the terms of this Contract.

h. Notification Regarding Performance

In the event of a problem or potential problem that could impact the quality or quantity of fuel received, the County shall notify the Customer within one (1) working day, by telephone.

i. Venue

The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, County of San Bernardino, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third-party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino, San Bernardino District.

j. Choice of Law

This Contract shall be governed by and construed according to the laws of the State of California.

k. Informal Dispute Resolution

In the event the Customer determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

l. Records

The County shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for Contract performance. All records shall be complete and current and comply with all Contract requirements. Failure to maintain acceptable records shall be considered grounds for withholding of payments for invoices submitted and/or termination of the Contract.

All records relating to the Contractor's personnel, consultants, subcontractors, Services/Scope of Work, and expenses pertaining to this Contract shall be kept in a generally acceptable accounting format. Records should include primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds,

tangible assets, revenue and expenditures. Fiscal records must comply with the appropriate Office of Management and Budget (OMB) Circulars which state the administrative requirements, cost principles and other standards for accountancy.

IV. TERM OF CONTRACT

This Contract shall be effective for a three (3) year term, commencing on the execution of the Contract by both parties. The Contract term may be extended for two additional one-year periods by mutual agreement of the parties. However, this contract may be terminated at any time, with or without cause, by either party after giving the other party thirty (30) days advance written notice of its intention to terminate.

Written notice issued pursuant to this section by the Director of Fleet Management on behalf of the County shall be sent registered mail to the Customer contact. Written notice issued pursuant to this section by the Customer shall be sent registered mail to the Director of Fleet Management. Such termination may include all or part of the services described herein. Upon such termination, payment will be made to the County for services rendered and expenses reasonably incurred prior to the effective date of termination.

Upon receipt of termination notice the County shall promptly discontinue services unless the notice directs otherwise.

V. FISCAL PROVISIONS

- a. The total estimated dollar amount of this contract will be determined by the total number of requested gallons of fuel required by the Customer. There is no guaranteed minimum or maximum gallons of fuel to be purchased under this contract.
- b. Customer will be invoiced monthly for all fuel purchases based on the current product cost and markup rates established by the County. The County will provide invoiced details of charges per vehicle upon request.
- c. Customer shall remit full payment to the County within sixty (60) days of receipt of invoice from the County.
- d. Checks shall be made payable to:

County of San Bernardino
Fleet Management Department
210 N. Lena Road
San Bernardino, CA 92415-0842

- e. Late payment (over 60 days) of any invoiced amount by a Customer will cause the County to incur additional accounting costs such as follow-up processing of delinquent notices and a lost investment opportunity. The late charges assessed shall be fixed at seventy-five thousandths of one percent (0.075%) of the past amount(s) due plus \$100.00 for late payments made within thirty (30) days of the payment due date. An additional charge of \$100.00 and seventy-five thousandths of one percent (0.075%) of the past due amount(s) shall be added to the past due balance for each additional thirty (30) day period that the balance remains unpaid (compounded).

- f. Any invoice remaining unpaid one hundred and eighty (180) days or more after the invoice date may be referred for debt collection and the County may immediately terminate delivery of all services. All "collection costs" incurred by the County shall be recouped from the Customer. Collection costs charged to the Customer are not a reimbursable expenditure under the contract.

VI. INDEMINIFICATION AND INSURANCE REQUIREMENTS

a. Indemnification

The Customer agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. The Customer indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

b. Self-insurance

Customer warrants that through their respective programs of insurance, they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this contract.

c. Waiver of Subrogation Rights

Customer shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Customer's employees or agents from waiving the right of subrogation prior to a loss or claim. The Customer hereby waives all rights of subrogation against the County.

VII. RIGHT TO MONITOR AND AUDIT

- a. The County, State and Federal government shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of the County in the delivery of services provided under this Contract.
- b. All records pertaining to services delivered and all fiscal, statistical and management books and records shall be available for examination and audit by County representatives for a period of three years after final payment under this Contract or until all pending County, State and Federal audits are completed, whichever is later.

VIII. NOTICES

All written notices provided for in this Contract or which either party desires to give to the other shall be deemed fully given, when made in writing and either served personally, or by facsimile, or deposited in the United States mail, postage prepaid, and addressed to the other party as follows:

San Bernardino County
Fleet Management Department
210 Lena Road
San Bernardino, CA 92415

Crestline Village Water District
P. O. Box 3347
Crestline, CA 92325

Notice shall be deemed communicated two (2) County working days from the time of mailing if mailed as provided in this paragraph.

IX. ENTIRE AGREEMENT

This Contract, including all Exhibits and other attachments, which are attached hereto and incorporated by reference, and other documents incorporated herein, represents the final, complete and exclusive contract between the parties hereto. Any prior agreement, promises, negotiations or representations relating to the subject matter of this contract not expressly set forth herein are of no force or effect. This contract is executed without reliance upon any promise, warranty or representation by any party or any representative of any party other than those expressly contained herein. Each party has carefully read this contract and signs the same of its own free will.

IN WITNESS WHEREOF, the County of San Bernardino and the Customer have each caused this contract to be subscribed by its respective duly authorized officers, on its behalf.

COUNTY OF SAN BERNARDINO

Crestline Village Water District

(Print or type name of corporation, company, contractor, etc.)

▶ _____
Janice Rutherford, Chair, Board of Supervisors

By ▶ _____
(Authorized signature - sign in blue ink)

Dated: _____

Name _____
(Print or type name of person signing contract)

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Title _____
(Print or Type)

Laura H. Welch
Clerk of the Board of Supervisors
of the County of San Bernardino

Dated: _____

By _____
Deputy

Address Post Office Box 3347
Crestline, CA 92325

Approved as to Legal Form
▶ _____
County Counsel
Date _____

Reviewed by Contract Compliance
▶ _____
Date _____

Presented to BOS for Signature
▶ _____
Department Head
Date _____

ATTACHMENT 1

The current fee schedule effective 7/1/2013-6/30/2014 is as follows:

	GASOLINE	DIESEL	CARWASH
Cost	Cost + \$0.41	Cost + \$.56	\$6.00