

Montgomery County commissioners to consider RFP for emergency bulk fuel

By Catherine Dominguez, cdominguez@hcnonline.com Published 7:17 pm, Saturday, September 9, 2017



Photo: Jason Fochtman, Staff Photographer

The Montgomery County Commissioners Court will consider advertising for emergency bulk fuel after Precinct 3 Commissioner James Noack questioned the county supplier over an 118 percent price hike following Hurricane Harvey.

After being hit with a 118 percent fuel price hike, Montgomery County commissioners will consider issuing a request for proposals for the purchase of emergency bulk fuel. The court will meet at 9:30 a.m. Tuesday on the fourth floor of the Alan B. Sadler Administration Building.

Precinct 3 Commissioner James Noack brought the issue of bulk fuel pricing to the attention of the County Attorney's Office last week. According to Noack, Houston-based Suncoast Resources Inc. raised its fuel prices, as well as upped its delivery fee from a flat rate of \$175 to \$275 per hour.

On Friday, following a request for fuel from Noack, Suncoast quoted a price of \$3.70 per gallon of diesel and \$3.50 per gallon of regular unleaded gasoline, according to information from an open records request by The Courier. Under the county's contract, employees were paying Suncoast around \$1.65 for unleaded and \$1.69 for diesel prior to Hurricane Harvey making landfall in Rockport Aug. 25.

County Attorney J D Lambright said Suncoast has not violated its contract with the county.

"The contract Suncoast has with the county clearly excludes situations like we have right now," Lambright said. "The price is way up there, which they can do; there is no contractual obligation."

However, Noack called the pricing "absurd." "I understand they may need to raise the price because of an emergency, but not \$1.17 more than retail," Noack said. "I think they are taking advantage of the taxpayer because of a storm; and that is wrong. There is no justification for \$3.70 a gallon."

Average retail gasoline prices in Texas have risen 29.3 cents per gallon in the past week, averaging \$2.49 a gallon as of Monday, according to GasBuddy's daily survey of 13,114 gas outlets in Texas. This compares with the national average that has increased 23.8 cents per gallon in the last week to \$2.64 a gallon, according to gasoline price website GasBuddy.com.

And while the company is within its contract with the county, Purchasing Director Gilbert Jalomo said the contract needs to be reviewed because it excluded pricing for emergency conditions. That exclusion gives the county the ability to either use Suncoast for fuel or purchase fuel from other suppliers, including retail locations while the county is under a disaster declaration.

"The contract, the way it was awarded in June, it had language in there that they were able to reprice it," said Jalomo, noting it was written and bid before he was hired by the county. "That is not the way it should have been written. Why it was written this way, I don't know, but that is what we are working on fixing."The county originally solicited for bulk fuel bids in November.

Fuel prices, he explained, are set using the Oil Pricing Information Service. OPIS, according to its website, provides pricing and news information for petroleum pricing, news and analysis for gasoline, diesel, ethanol, biodiesel, LP-gas, jet fuel, crude, natural gas, refinery feedstocks, residual fuel and kerosene.

In other business:

Donation: The court will consider accepting a \$100,000 donation from D.R. Horton related to storm damage.

Hurricane Harvey: The court will discuss Hurricane Harvey and related flooding events and effects on the county.

Carry-over funds: Department heads for Building Maintenance and Information Technology have requested the court approved carryover funds to the Fiscal Year 2017-18 budget.

Improvements: The court will consider awarding a bid for the roadway and traffic signal intersection improvements at Hardin Store Road and Dobbin-Huffsmith Road.