

# CLARK COUNTY BOARD OF COMMISSIONERS

## AGENDA ITEM

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**Petitioner:** Les Lee Shell, Deputy County Manager  
Jessica Colvin, Chief Financial Officer  
Rosemary Vassiliadis, Director of Aviation

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**Recommendation:**

**Authorize the termination of the Contract with Coronet Ceramics, Inc. dba Coronet Energy for Bid No. 606372-22, for Annual Requirements Contract for Bulk Unleaded Gasoline 87 Octane and Biodiesel Fuel; or take other action as appropriate. (For possible action)**

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**FISCAL IMPACT:**

Fund #:	N/A	Fund Name:	N/A
Fund Center:	N/A	Funded PGM/Grant:	N/A
Amount:	N/A		
Description:	N/A		
Additional Comments:	N/A		

**BACKGROUND:**

On December 6, 2022, the Board of County Commissioners (Board) approved the award of Bid No. 606372-22; for Annual Requirements Contract for Bulk Unleaded Gasoline 87 Octane and Biodiesel Fuel to Coronet Ceramics, Inc. dba Coronet Energy (Coronet) (NBE).

This Contract is for the purchase of Unleaded Gasoline 87 Octane and B5 Biodiesel Fuel for the Clark County and Department of Aviation Fleets. Estimated annual usage is 503,000 gallons of unleaded fuel and 1,142,300 gallons of B5 biodiesel.

The following are the pertinent provisions of the Contract:

- The term of the Contract was from date of award through December 31, 2023, and included the option to renew for 4, one-year periods.
- Included the option to increase the award amount up to 25% based on possible increased user requirements for the renewal terms and approved budget appropriations.
- Included the option to increase the award amount, based on published Las Vegas Unbranded Rack Low Oil Price Information Services (OPIS) for possible price increases for renewal terms.
- Included the County's option to terminate for cause, convenience or default and suspend the Contract with advanced written notice.

Coronet missed deliveries on January 9, 10, & 25, 2023. Clark County issued a Cause and Corrective Action Notice to Coronet on January 26, 2023, for damage to County property, failure to deliver, and using unauthorized subcontractors. On January 30, 2023, Clark County met with Coronet's representative to discuss deficiencies and remedies. On February 3, 2023, Coronet failed to make a scheduled delivery. On February 5, 2023, Coronet informed Clark County via email that they will not make future deliveries.

On February 8, 2023, the Purchasing and Contracts Division issued a Notice of Intent to Terminate Contract for

Cleared for Agenda

**03/21/2023**

File ID#

**23-334**

Cause and Notice of Meeting to Consider Administrative Action, by email and certified letter, giving the minimum 21 working days' notice. This letter stipulated the Contract would be terminated effective March 21, 2023, subject to the Board's approval. Staff recommends that the Board terminate the contract with Coronet.

This action is in accordance with General Conditions, Section 34, Termination for Cause.