



## **CITY COUNCIL COMMUNICATION**

April 10, 2012

**SUBJECT:** Bulk Gasoline and Diesel Fuel Contract

**SUBMITTED BY:** Kyle McAdams, Fleet & Facility Administrator

**REFERENCE NO:** Tarrant County – Renewal of Annual Contract for Motor Fuels

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### **ACTION REQUESTED:**

Request approval to purchase bulk gasoline and diesel fuels from Douglass Distributing Company through an interlocal purchasing agreement with Tarrant County.

### **ALTERNATIVES:**

- Bid fuel purchases
- Do not approve

### **SUMMARY OF SUBJECT:**

The City currently purchases fuel from Douglas Distributing Company through an interlocal purchasing agreement with Tarrant County. The initial contract allowed for five (5) additional twelve (12) month periods at the same pricing structure.

Tarrant County Commissioners Court took action on February 28, 2012 to extend the contract for a second twelve (12) month period at the same fixed prices.

The current contract will be in effect from April 6, 2012 until April 6, 2013. There are three (3) remaining one (1) year renewal periods under the contract.

There are a number of public entities that are served by this contract within a four (4) county area. The items that may be purchased through this agreement are reformulated unleaded gasoline, red dyed off-road usage diesel fuels, E85 Ethanol, and B5/B10/B20 Bio-Diesel fuel. The primary fuels that the city purchases are reformulated gasoline, red-dyed diesel and Bio-Diesel fuels.

Charges will be an average mark down of \$0.0100 per gallon regular unleaded and a mark-up of \$0.0125 per gallon diesel per transport load (4,000 gallons or greater).

Bobtail deliveries (3,999 gallons or less) will be charged at a mark-up of \$0.0100 for unleaded and mark-up of \$0.0225 for diesel. All fuel pricing will be based on OPIS (Organization of Petroleum Information Services) daily average net cost per gallon of fuel on the day ordered including dealer markup or mark down plus any federal superfund fees.

The city is exempt from Federal Tax on gasoline and diesel. State tax on diesel is calculated for on-road usage only and is paid on a quarterly basis.

**FINANCIAL CONSIDERATIONS:**

Revenue Sources:	Annual budgeted monies	
Expenditure Accounts:	Unleaded Fuel:	504-5090-519.62-61
	Diesel Fuel:	504-5090-519.62-62
Budgeted Fiscal Year(s):	Unleaded Fuel:	\$235,000
	Diesel Fuel:	\$113,400
Estimated Expenditure:	Unleaded Fuel:	\$235,000
	Diesel Fuel:	\$113,400
Over/Under Projection By:	\$0.00	
Other Comments:		

**SUPPORTING DOCUMENTS:**

- Tarrant County Commissioners Court Communications
- Tarrant County Purchasing Bid Tabulation

**APPROVED BY:**

\_\_\_\_\_ **LG** \_\_\_\_\_ City Manager's Office  
\_\_\_\_\_ **KS** \_\_\_\_\_ City Secretary's Office