

**MEETING DATE/TYPE:                      VOTING MEETING                      6-12-18**

**DEPARTMENT:    Field and Facilities Services**

**AGENDA ITEM:** Approval of a three (3) year contract for off-site fueling service with Bennett Oil Co., City Contract No. 2018-225 and SC Fuels, City Contract No. 2018-237. (Funding is available within the operating budget of each department that utilizes fuel.)

**FUNDING SOURCE:** Various Funds

**Approved By:** Michael Lamar, City Manager

**Item Summary**

This item requests approval to enter into a three (3) year contract with Bennett Oil Company and SC Fuels for off-site fueling services. The current service contract with Bennett Oil Company, and SC Fuels has expired, and a new fuel service contract is needed to continue fueling City assets.

**Background**

Gasoline and diesel fuels are required for all City vehicles and equipment, however, the City does not have its own fueling facility. An estimated 125,000 gallons of gasoline, and approximately 135,000 gallons of ultra low sulfur diesel (ULSD), are consumed annually.

Fleet Services performed an IFB for off-site fuel services and received two bids. Both companies bid close “markups” per gallon on the industry standard pricing. This standard, specifically the Oil Price Information Service (OPIS), is based on a five day average of fuel costs for the Phoenix area.

Under the proposed contract, refueling stations will be available to the City seven days a week, 24 hours a day. Fuel cards will be issued to employees and electronic reporting by the contractor allows Fleet Services to track usage by employee, department, equipment number, and odometer reading.

The initial term of the contract shall be for a period of three (3) years. The contract may be extended for additional two (2) year periods of up to a total of five (5) years, with the mutual consent of the City of Prescott and the Contractor. The City may administratively extend the contract pursuant to this paragraph without City Council approval.

**AGENDA ITEM:** Approval of a three (3) year contract for off-site fueling service with Bennett Oil Co., City Contract No. 2018-225 and SC Fuels, City Contract No. 2018-237. (Funding is available within the operating budget of each department that utilizes fuel.)

Fleet Services is recommending award of the contract to both Bennett Oil Co. and SC Fuels.

<u>Company</u>	<u>Location</u>	<u>Unleaded Bid</u>	<u>ULSD Bid</u>
Bennett Oil Co.	Prescott, AZ	OPIS + \$.0850	OPIS + \$.0850
SC Fuels	Camp Verde, AZ	OPIS + \$.0799	OPIS + \$.0799

### **Financial Impact**

Per FY17 expenditures the City spent \$100,769.00 on diesel fuel and \$399,535.00 on unleaded fuel for a total of \$500,304.00. Diesel Exhaust Fluid (DEF) is now a required additive and is included in the bid items.

Funding is available within the operating budget of each department that utilizes fuel.

**Recommended Action: MOVE** to approve City Contract Nos. 2018-225 and 2018-237.