

## Legislation Details (With Text)

**File #:** 3109      **Version:** 1      **Name:** Fuelman Credit Card Purchases  
**Type:**      **Status:** Passed  
**File created:** 2/1/2017      **In control:** City Council  
**On agenda:** 2/7/2017      **Final action:** 2/7/2017  
**Title:** Consider Approval Of The Purchase Of Fuel From The Fuelman Credit Card Through An Inter-Local Agreement With The Cooperative Purchasing Network (TCPN) In An Amount Not To Exceed \$100,000.00.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
2/7/2017	1	City Council	approved	Pass

**CC MEETING: February 7, 2017**

**DATE:** January 31, 2017

**TO:** Erin Rinehart, City Manager

**FROM:** Carl W. Shelton, Fleet and Facilities Director and Vince Priolo, Purchasing Manager

Consider **Approval Of The Purchase Of Fuel From The Fuelman Credit Card Through An Inter-Local Agreement With The Cooperative Purchasing Network (TCPN)** In An Amount Not To Exceed \$100,000.00.

**BACKGROUND:**

The Fuelman fuel card is used by staff to purchase fuel at off site retail locations for City vehicles. The main users of this card are the Fire Department and our PD undercover officers. By utilizing this card it gives our Fire department the ability to fuel within their respective districts and maintains their 4-minute response time. This card also gives our PD undercover officers the ability to fuel their vehicles at sites other than our Police Station. Governmental entities that have an Inter-local Agreement with The Cooperative Purchasing Network (TCPN) are authorized to utilize discounted pricing with Fuelman. Texas law authorizes this process so that the City can save the time of developing specifications and avoid the duplication of the competitive bidding process.

Below is an annual cost comparison of the current agreement and the purposed agreement. Savings based off of previous year's consumption data would be approximately \$9,650.00, if fuel prices remain stable. This new contract agreement will reduce our transaction fees from eight cents to five cents per gallon.

Total annual cost of the current fuel agreement: \$91,267.00

Total annual cost of the proposed fuel agreement: \$81,617.00

**FINANCIAL IMPLICATIONS:**

Expenses are estimated at an amount not to exceed \$100,000 for the year's expenditures. Staff is requesting additional funds, should the cost per gallon increase over the term of this agreement. Gasoline is an extremely volatile and unpredictable commodity and historically we've experienced significant fluctuations.

<u>ACCOUNTING UNIT</u>	<u>ACCOUNT</u>	<u>BUDGET AMOUNT</u>
Fleet Services	60650 - Gasoline & Fuels	\$100,000

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff requests authorization to approve annual purchases of fuel through the Fuel Man fuel card in an amount not to exceed \$100,000.