



FY 24 Fuel Purchase

City Council

December 11, 2023

How We Buy Fuel



CITY OF FORT WORTH BID

- Competitively bid
- One year contract
- Awarded December 17, 2019
- Renewed October 31, 2023
- Final renewal



BEST VALUE

- Large volume bid
- More purchasing power than City of Burleson has on its own
- Lower cost than retail fuel



ANNUAL AGREEMENTS

- Inter-local to use Fort Worth contract
- Agreement with City of Fort Worth in place since September 22, 2008
- Renewal timed to coincide with City of Fort Worth contract renewal



Fuel Pricing



- Contract requires the use of OPIS, a third party Dow Jones Company, to benchmark “Rack Pricing”
- This Rack pricing is specific to large volume customers (thousands of gallons) who are sold fuel from fuel terminal locations
- OPIS Rack Pricing fluctuates daily as the fuel market changes
- Unlike retail fueling City does not pay Federal Excise tax on fuel purchased in Bulk, which saves approximately \$0.18 a gallon or over \$26,000 annually

Fee Schedule	
Freight-to deliver	\$0.027080
Texas Motor Fuel Tax	\$0.200000
US Federal Environmental Fee	\$0.001000
US Federal Oil spill fee	\$0.001929
US Federal Super Fund	\$0.003515
<u>Total fees and taxes per gallon</u>	\$0.233524

Our delivered price per gallon is : OPIS price per gallon for that day + \$0.23524

For example on November 10th our price for unleaded gasoline was **\$2.40** (\$2.17 + \$0.23) vs area average retail pricing of **\$2.87** per gallon

Redundancy

- The City of Fort Worth contract allows the City of Burleson to utilize the WEX fuel network to purchase fuel at nationwide retailers through Mansfield Oil of Gainesville
- Retail provides backup to the Service Center fuel system in the event of failure or maintenance to the bulk fuel system
- Retail fuel cards give staff the ability to fuel off-site without paying Federal Tax on fuel purchases when on out-of-town business



Redundancy

BTX

- The off-site purchases are connected to the Fleet work management system through WEX / Mansfield Oil to log who, what, when, and where purchases were made in the same manner as the bulk fuel delivered to the Service Center by Mansfield Oil
- Fire apparatus are allowed to purchase fuel at the closest location to their station to reduce time out of service and keep these assets in their service area
- Police motorcycle units fuel at retail locations as they require higher octane fuel than the rest of the fleet - other police assets are allowed to fuel at retail locations at Command Staff discretion





Options

APPROVAL RECOMMENDED



APPROVE

Approval of a contract with
Mansfield Oil Company of
Gainesville for FY 24



DENY

Deny of a contract with
Mansfield Oil Company of
Gainesville for FY 24



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