



# Motor Fuel Contracts

City Council

June 16, 2025

# Agenda

- Background
- New Contracts
- Recommendations & Action Requested



# Background



- Burleson has traditionally used Inter-local Purchasing Agreements with Fort Worth in order to access more cost-effective fuel contracts based on Fort Worth's significantly larger volume
- Burleson City Council approved our most recent fuel contract December 11, 2023 for a term ending December 31, 2024 and amended that contract in January 2025 for six months
- City of Fort Worth's procurement of a new multi-year contract has been completed and resulted in a new five-year contract awarded to Mansfield Oil Company of Gainesville
- The new City of Fort Worth contract does not include the retail fuel purchase component, so a separate contract is needed to provide that service.

# Background



- Over the past two full fiscal years, Burleson has expended \$431k in FY23 and \$465k in FY24 on motor fuels for the city's fleet
- For FY25, the current projection estimates \$450k in motor fuels expenditures
- Most city vehicles fuel at the City Service Center drawing from bulk fuel storage tanks for both unleaded and diesel fuels
- Retail fuel purchases are authorized when supported by business needs
  - Fire/EMS vehicles may fuel at retail stations to avoid adverse impact to response times
  - Police motorcycles are the only vehicles in the city fleet that consume premium unleaded fuel and they are fueled at retail locations as opposed to adding an additional fuel storage tank for this relatively small volume
  - Retail fuel cards allow the city to restrict the use of the cards to only fuel purchases

# New Contracts



Staff proposes five-year agreements with Mansfield Oil Company of Gainesville through an Inter-local Purchasing Agreement with City of Fort Worth for motor fuel in the amount of \$2,000,000.00 and Cooperative Purchase Agreement through Omnia Partners for retail fuel purchases in the amount of \$500,000.00

- These contracts would continue providing fuel needed to operate the city fleet including vehicles and equipment for police, fire, parks, public works, inspections, and others
- These contracts would be funded by the existing FY25 budget and subsequent annual appropriations for fuel with contract expenses only for the fuel ordered and delivered
- These contracts would replace existing contracts for the same services, using the same retail fuel card system as is used today primarily by first responders in the Fire and Police departments – bulk deliveries to the City Service Center would continue to support the vast majority of city fleet through the existing fuel island
- Bulk fuel deliveries are priced daily based on the OPIS benchmark for this market and retail purchases generate a 0.85% rebate off the retail price in addition to the standard tax exemptions

# Recommendations & Action Requested

Staff recommends approval of

1. A five-year agreement with Mansfield Oil Company of Gainesville through an Inter-local Purchasing Agreement with City of Fort Worth for motor fuel in the amount of \$2,000,000.00

**and**

2. A Cooperative Purchasing Agreement with Mansfield Oil Company of Gainesville through the Omnia Partners (Contract # 159331) for retail fuel purchases in the amount of \$500,000.00



# Questions / Discussion

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