
City Council Regular Meeting

DEPARTMENT: Public Works

FROM: Eric Oscarson, Public Works Director

MEETING: December 12, 2022

SUBJECT:

Consider approval of a minute order extending the contract with Mansfield Oil Company of Gainesville through an inter-local agreement with the City of Fort Worth in the amount not to exceed \$711,712.00. (*Staff Contact: Kip Dernovich, Deputy Director – Operations, Public Works*)

SUMMARY:

The City of Burleson currently purchases fuel for its fleet via an inter-local purchasing agreement with the City of Fort Worth from Mansfield Oil Company of Gainesville using two methods. The primary method uses bulk fuel delivery at the Municipal Service Center where every transaction is captured in the Fuel Management system. The secondary method allows the purchase of retail fuel at area fuel stations for select departments. The Fire Department is currently allowed to refuel fire apparatuses at retail stations due to the low fuel efficiency of the fire apparatus. The large fire apparatuses get approximately 3 - 4 miles per gallon or less. At that rate of fuel usage, the additional fuel used to drive the unit to the Municipal Service Center results in a higher cost than paying a slightly higher price per gallon at a retail station near the fire station. Additionally, the motorcycles in the Traffic Division of the Police Department are currently allowed to purchase retail fuel since they require higher Octane Unleaded Gasoline that the rest of the fleet does not need.

City Council approved a minute order authorizing the purchase of bulk fuel by way of an existing contract using an interlocal agreement with the City of Fort Worth for purchases with Mansfield Oil Company of Gainesville on November 8, 2021. This contract will expire on December 31, 2022. The City of Fort Worth renewed their contract for bulk fuel delivery before the end of the current term on October 7, 2022. This action implements the third (3rd) of four (4) available one-year renewable options. There remains one (1) more opportunity to renew this contract out of the original four (4) renewals.

Staff believes utilizing the City of Fort Worth contract provides the best value to the City. The City of Fort Worth's competitive Request for Proposals (RFP) included a very large volume. Staff feels that this economy of scale results in better fuel prices that could be achieved if Burleson bids out fuel separately. An approximately twenty-five percent (25%) contingency (\$143,762) has been added to the estimated cost for fuel (\$567,950.00) to reach the total not to exceed amount of (\$711,712.00) due to the current volatility of the fuel market.

OPTIONS

- 1) Approve a contract with Mansfield Oil Company of Gainesville through an inter-local agreement with the City of Fort Worth in the amount not to exceed \$711,712.00.
- 2) Deny a contract with Mansfield Oil Company of Gainesville through an inter-local agreement with the City of Fort Worth in the amount not to exceed \$711,712.00.

RECOMMENDATION:

Approval of a contract with Mansfield Oil Company of Gainesville through an inter-local agreement with the City of Fort Worth in the amount not to exceed \$711,712.00.

FISCAL IMPACT:

Budgeted Y/N: Y

Fund Name:

Full Account #s: 501-4051-542-6403

Amount: \$711,712.00

Project (if applicable):

Financial

Consideration:

STAFF CONTACT:

Name: Kip Dernovich

Title: Deputy Director – Operations, Public Works

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