

MEMO 25-30

TO: Frank Schulte, City Administrator

FROM: James Kowalski, Director of Public Services

J.K.

DATE: November 12, 2025

SUBJECT: Annual Fuel Purchase Contract

We spoke with the City of Sterling Heights, the host municipality for the Michigan Intergovernmental Trade Network (MITN) cooperative fuel bid (formerly tri-county cooperative), regarding our purchase of fuel through the cooperative fuel contract for the two-year contract period of February 1, 2026 through January 31, 2028. We have purchased fuel through the MITN cooperative fuel contract since February 1, 2000. The MITN cooperative bid prices are lower for both gasoline and diesel fuel when compared to the State of Michigan MiDeal contract.

RKA Petroleum Companies was the lowest qualified bidder for tank wagon deliveries (5,000 gallons or less) for the February 1, 2024 through January 31, 2026 contract period. They have provided fuel on previous contracts and their performance has been satisfactory. RKA's bid factor for gasoline and diesel fuel was +.0780 and +.1056 per gallon. Pricing is calculated based on the OPIS (Oil Price Information Service) Rack Average for Detroit, Michigan. RKA Petroleum Companies has agreed to extend the current contract for an additional two-year period, from February 1, 2026 through January 31, 2028.

Pursuant to a consensus of the fuel cooperative members and the agreement of the vendors, the City Council for the City of Sterling Heights approved the fuel purchasing contract for the two-year period February 1, 2026 through January 31, 2028.

The MITN cooperative bid is made up of 20 member communities in Macomb, Oakland and Wayne Counties including the City of Grosse Pointe Woods. Prices charged to municipalities fluctuate with market conditions but are substantially lower than consumer pump prices. This is the most economical way for the city to purchase fuel and there would be no advantage to going out for additional bids.

Therefore, I recommend that we purchase fuel from RKA Petroleum Companies, 28340 Wick Rd., Romulus, MI, 48174 based upon the MITN cooperative fuel bid for tank wagon deliveries of gasoline and diesel fuel for the contract period of February 1, 2026 through January 31, 2028 in an amount not to exceed \$115,000.00 annually. This is a budgeted item with funds included in each fiscal year budget in vehicle maintenance account 661-534-939.500 for gasoline and diesel fuel purchases.

If you have any questions concerning this matter please contact me.

I do not believe any benefit will accrue to the City by seeking further bids. Approved for Council consideration.



Frank Schulte, City Administrator

11-13-25

Date

Fund Certification:

Account numbers and amounts have been verified as presented.



Steven Schmidt, Treasurer/Comptroller

11/14/25

Date



CITY OF
**Sterling
Heights**
InnovatingLiving

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City Council

Mayor	Michael C. Taylor
Mayor Pro Tem	Liz Sierawski
Councilwoman	Deanna Koski
Councilman	Michael V. Radtke Jr.
Councilwoman	Maria G. Schmidt
Councilman	Henry Yanez
Councilwoman	Barbara A. Ziarko

City Manager Mark D. Vanderpool

August 21, 2025

Kacey Spell, Wholesale Sales Manager
RKA Petroleum Companies, Inc.
28340 Wick Road
Romulus, MI 48174

Via Email: kspell@rka.com

Re: Two-Year Contract Extension

Dear Ms. Spell:

The City of Sterling Heights is the lead agency for the cooperative purchase of gasoline and diesel fuel under ITB-SH23-052. RKA Petroleum Companies, Inc. was awarded a contract for truck transport and tank wagon deliveries per unit prices in your bid dated November 14, 2023 for a two-year period. The bid specifications included an option to extend for two (2) additional years through mutual consent, under the same terms and conditions.

As the lead agency on this bid, Sterling Heights is recommending to the cooperative members the extension of the contract an additional two years, from February 1, 2026 through January 31, 2028.

To formalize this agreement to mutually extend the bid award, please sign the enclosed form which indicates your acknowledgement and consent to extend the Cooperative's purchase of truck transport and tank wagon deliveries of gasoline and diesel fuel from RKA Petroleum Companies, Inc. for an additional two-year period, honoring all terms and conditions of the present contract, effective upon Sterling Heights approval, and cooperative member approval, when applicable.

Please email the completed form to me at: shpurchasing@sterlingheights.gov

If you have any questions, I can be reached at (586) 446-2741.

Sincerely,

Erik Skurda
Purchasing Manager
Enclosure

TRUCK TRANSPORT AND TANK WAGON DELIVERIES OF GASOLINE AND DIESEL FUEL
TWO-YEAR EXTENSION OF CONTRACT AT UNIT PRICES BID
ITB-SH23-052

The signatures below serve as confirmation that RKA Petroleum Companies, Inc. is in receipt of a letter from the City of Sterling Heights (lead agency in the fuel purchasing cooperative), dated August 21, 2025 from Purchasing Manager Erik Skurda.

RKA Petroleum Companies, Inc., 28340 Wick Road, Romulus, MI 48174 acknowledges the City's / Cooperative's request and mutually agrees to extend the contract for the purchase of truck transport and tank wagon deliveries of gasoline and diesel fuel for an additional two-year period, through January 31, 2028, at unit prices stated in the bid of November 14, 2023, all other terms and conditions remain the same. This extension shall be binding upon final review and approval by the City of Sterling Heights, and approval by the respective cooperative members, when applicable.

PREPARED BY:

(On behalf of the Cooperative)



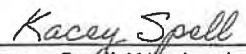
Erik Skurda, Purchasing Manager
City of Sterling Heights

8/21/2025

Date

REVIEWED AND ACCEPTED BY:

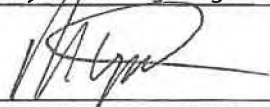
RKA Petroleum Companies, Inc.



Kacey Spell, Wholesale Sales Manager
8/21/2025

Date

City of Sterling Heights



Mark Vanderpool, City Manager
9/4/25

Date