



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6549
October 1, 2024
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6549: Agreement with MISD for Fuel Purchase	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to execute the Agreement with the Mercer Island School District for Fuel Purchase.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Agreement Between Mercer Island School District and the City of Mercer Island for Fuel Purchase
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda item is to authorize an Agreement (Agreement) between the City of Mercer Island (City) and Mercer Island School District No. 400 (District) that allows the City to purchase unleaded and diesel fuel (together, Fuel) from the District for the City’s vehicles.

BACKGROUND

On November 24, 1992, the Mercer Island School District and the City entered an Interlocal Agreement (ILA) that permitted the City to fuel its vehicles utilizing the facilities maintained by the District at the District’s Field Operation Base. As part of the agreement, the District would purchase the fuel from its suppliers and make it available to the City. In turn, the City would pay the District for the fuel at the price the District paid to its suppliers. Recently, the District underwent a software system upgrade that required an update to the previous ILA. A new Agreement (see Exhibit 1) was drafted and presented before the School District’s Board of Director’s on August 29, 2024. The Agreement was approved by the Board of Directors and now awaits City Council approval.

ISSUE/DISCUSSION

The fundamental structure of the Agreement remains the same as the previous agreement signed in 1992. A minor change in the Pricing and Billing section (see Section 3(d)) was integrated to include a slight service

markup of \$0.20 per gallon to offset the District's costs for administration, staffing, and upkeep of the fueling facilities and associated equipment. This service markup will be reviewed annually for potential adjustment based on mutual agreement.

NEXT STEPS

The District has completed the software system upgrades and is awaiting issuance of new card readers to improve fueling and tracking of fuel. Upon completion of the Agreement, updated fuel equipment will be distributed to City staff.

RECOMMENDED ACTION

Authorize the City Manager or designee to execute an agreement with the Mercer Island School District No. 400 that allows the City to purchase fuel from the District for the City's vehicles substantially in the form attached as Exhibit 1.