



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Kenneth Allen      **Reviewed by:** William Riley  
Fleet and Facilities Manager      Director of Systems Operations

**Submitted by:** Mark Steelman      **Approved by:** Ryan Kelso  
Chief Operations Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 030122-MAG, with Merchants Automotive Group, LLC, d/b/a Merchants Fleet, for Fuel Card Services

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## **BACKGROUND**

This Professional Services Agreement (the “Agreement”) is made and entered by and between New Braunfels Utilities, a Texas municipally owned utility (“NBU”), and Merchants Automotive Group, LLC, d/b/a Merchants Fleet (the “Professional”).

To support the reliability, safety, and operational resilience of NBU’s utility systems, NBU seeks to utilize a third-party professional to provide fuel card services for Fleet and Facilities and other participating departments. These services include fuel cards, purchasing controls, detailed reporting, compliance support, and a streamlined expense management process.

This approach will help NBU respond rapidly during system emergencies, support planned infrastructure projects, maintain service continuity, and improve oversight of fuel-related expenditures.

Staff requests that the Board of Trustees approve the Agreement with the Professional for fuel card services.

This item is being presented to the Board because the total amount of the Agreement exceeds \$250,000.00.

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## **FINANCIAL IMPACT**

This is a three-year contract with up to two (2) one-year renewals. Each year has a total not-to-exceed amount of \$650,000.00. The entire contract has a total not-to-exceed amount of \$3,250,000.00. The services are currently budgeted within Fiscal Year 2026 and proposed to be budgeted within Fiscal Years 2027 through 2031 NBU Board approved Operations & Maintenance Budget.

## **LINK TO STRATEGIC PLAN**

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**Customers and Community**

**Financial Excellence**

**Stewardship**

## **EXHIBITS**

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1. Fleet Services Master Agreement with Merchants Automotive Group, LLC, d/b/a Merchants Fleet