

STAFF REPORT

City of Lancaster

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9/13/2022
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Date: September 13, 2022

To: Mayor Parris and City Council Members

From: Jeff Hogan, Senior Director - Development Services
Michael Harne, Senior Manager – Transportation

Subject: On-Call Automotive Fuel Delivery for Transportation Services

Recommendation:

1. Approve a \$460,000.00 combined expenditure authority with Mansfield Energy Corp., TACenergy (Truman Arnold Company), LLC, and Pinnacle Petroleum, Inc., utilizing OMNIA Partners Cooperative Purchasing Contracts.
2. Appropriate \$143,541.00 from Fleet Fund Balance account number 111-2900-000 to expenditure account 111-4753-217, for the anticipated costs of fuel through the end of the current fiscal year 2022-2023.

Fiscal Impact:

\$460,000.00. The adopted budget for the current fiscal year 2022-2023 in account 111-4753-217 is \$316,459.00. An additional one-time appropriation of \$143,541.00 into account 111-4753-217 from Fleet Fund Balance 111-2900-000 is requested. This combined expenditure authority is in an amount not to exceed \$460,000.00.

Background:

OMNIA Partners is one of the largest public and private sector procurement purchasing organizations. The City of Lancaster has access to competitively solicited and publicly awarded cooperative agreements through the economies of scale created by OMNIA Partners public sector subsidiaries, National IPA, and U.S. Communities.

In 2019, OMNIA Partners partnered with the City of Fort Worth, Texas, to solicit and award multiple contracts related to motor and aviation fuels and related services for nationwide use. From those awarded contracts, the City of Lancaster will be entering into agreements with:

- Mansfield Energy Corp., Contract Number: 53315

- TACenergy, LLC, Contract Number: 53317
- Pinnacle Petroleum, Inc., Contract Number: 53314

City staff will utilize these agreements to get real-time fuel pricing for delivery. These current contracts are valid through December 31, 2022, and have the option to renew for a maximum of two (2) more one-year renewal periods through December 31, 2024.

The U.S. Energy Information Administration Short-Term Energy Outlook (STEO) noted that continued uncertainty resulting in global conflicts and other contributing factors would continue to impact fuel prices. With fuel use and prices so difficult to estimate, we respectfully request an expenditure authority encompassing our existing base budget and additional supplementation from the fleet fund balance. This will provide the flexibility needed when ordering fuel for City use.

HA:gb