



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: April 7, 2022

Staff Contact: Carol Akers, Purchasing & Contracts Administrator and Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed \$336,000 increase in Fiscal Year ("FY") 2022 purchase authority under joinder contracts, beyond the previously approved \$1,094,654, for the purchase of (1) bulk fuel and related delivery services utilizing State of Nevada joinder contracts 99SWC-NV20-4287 with Interstate Oil Company, 99SWC-NV20-4867 with Carson Valley Oil Co., Inc. and 99SWC-NV20-4283 with Flyers Energy, LLC; and (2) additional fuel access through a card lock fueling network using State of Nevada joinder contract 99SWC-NV21-7551 with Pilot Thomas Logistics, LLC, resulting in a new not to exceed amount of \$1,430,654 through June 30, 2022. (Carol Akers, Cakers@carson.org and Mike Shaffer, MShaffer@carson.org)

Staff Summary: Through these joinder contracts, the City purchases bulk fuel for City-owned vehicles and provides a card lock fueling network which allows City employees to refuel a City vehicle. Due to severe disruptions in the global oil market and subsequent higher fuel prices, the City is on-track to exceed the FY 2022 fuel budget. If approved, the \$336,000 increase in purchase authority will cover the anticipated overage in fuel costs for the remainder of the FY.

Agenda Action: Formal Action / Motion

Time Requested: Consent

Proposed Motion

I move to approve the increase in purchase authority.

Board's Strategic Goal

Efficient Government

Previous Action

On June 17, 2021, the Board of Supervisors approved the purchase of bulk fuel and additional fuel access through a card lock fueling network through multiple joinder contracts for a FY 2022 amount not to exceed \$1,094,654.

Background/Issues & Analysis

The City annually utilizes joinder contracts for bulk fuel and card lock services. In FY 2022, the City utilized the following State of Nevada joinder contracts: (1) Interstate Oil Company (99SWC-NV20-4287), Carson Valley Oil Co. (99SWC-NV20-4283) and Flyers Energy, LLC (99SWC-NV20-4283), for bulk fuel and delivery services (collectively, "Bulk Fuel Contracts"); and (2) Pilot Thomas Logistics, LLC (99SWC-NV21-7551) for additional fuel access through a card lock fueling network ("Card Lock Contract").

The Bulk Fuel Contracts permit the purchase of bulk fuel and associated delivery services. Since bulk fuel prices fluctuate daily, the Bulk Fuel Contracts require that each daily purchase be made from the lowest cost supplier, which is determined by obtaining quotes from the three contracted vendors in the region to determine

the lowest cost for the day. The Card Lock Contract permits City employees to purchase fuel for an amount based on market fluctuations at gas stations through the card lock fueling network.

The total not to exceed amount is stated jointly for the Bulk Fuel Contracts and the Card Lock Contract because the City’s overall fuel needs can typically be estimated, but the expenditure under a particular joinder contract cannot. The City initially budgeted an expenditure amount under these joinder contracts for a not to exceed amount of \$1,094,654 from various city fuel accounts for FY 2022. As required per City policy, this purchasing authority was approved by the Board of Supervisors on June 17, 2021. However, due to increased fuel costs throughout the FY as a result of disruptions to the global oil markets, the fuel purchase authority requires a \$336,000 increase from the original projected amount of \$1,094,654 to cover costs for the remainder of the FY. The updated FY 2022 fuel cost projections are based on current fuel pricing and historical monthly fuel consumption.

Contracts being utilized through the State of Nevada:
The Bulk Fuel Contracts expire January 31, 2024.
https://purchasing.nv.gov/Contracts/Documents/Bulk_Fuels/

The Card Lock Contract expires January 31, 2024.
https://purchasing.nv.gov/Contracts/Documents/Fuel_Card_Lock/

Applicable Statute, Code, Policy, Rule or Regulation
NRS 332.195

Financial Information
Is there a fiscal impact? Yes

If yes, account name/number: City-wide vehicle fuel/oil accounts that were approved in the FY 2022 budget, object 500660 Citywide.

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Please see attached for proposed augmentation sheet based on year to date spending for Fuel. If approved, additional amounts will be augmented from Contingency, as needed, during the last round of augmentations. For special revenue funds, the amounts will be augmented from undesignated amounts, and enterprise funds will be augmented from working capital amounts available, as needed, during the last round of augmentations. FY 2022 expenditures should not exceed \$1,430,654.

Alternatives
Do not approve increase and provide direction to staff.

Attachments:
[Fuel 3-28-2022.pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

Org	Object	Department	Description	2022 Revised Budget	2022 Actual (as of 3/28/22)	2021 Actual	Augmentation Needed
1010400	500660	Assessor	VEHICLE FUEL/OIL	1,400.00	360.26	520.89	
1010500	500660	District Attorney	VEHICLE FUEL/OIL	3,000.00	1,581.45	2,147.99	
1010620	500660	Courier	VEHICLE FUEL/OIL	1,000.00	334.23	995.52	
1010710	500660	IT	VEHICLE FUEL/OIL	735.00	700.67	927.86	316.00
1011425	500660	Planning	VEHICLE FUEL/OIL	1,425.00	1,024.67	1,251.22	
1012005	500660	Sheriff's	VEHICLE FUEL/OIL	5,800.00	6,694.77	6,516.36	4,242.00
1012011	500660	Sheriff's	VEHICLE FUEL/OIL	23,000.00	23,633.84	25,953.75	12,451.00
1012012	500660	Sheriff's	VEHICLE FUEL/OIL	126,900.00	119,702.00	127,820.50	52,653.00
1012013	500660	Sheriff's	VEHICLE FUEL/OIL	2,000.00	1,032.22	227.80	-
1012014	500660	Sheriff's	VEHICLE FUEL/OIL	4,000.00	505.68	1,395.00	
1012018	500660	Sheriff's	VEHICLE FUEL/OIL	3,000.00	876.78	878.25	
1012505	500660	Fire	VEHICLE FUEL/OIL	1,225.00	2,680.46	2,713.31	2,796.00
1012512	500660	Fire	VEHICLE FUEL/OIL	35,000.00	34,191.09	33,034.82	19,707.00
1012515	500660	Fire	VEHICLE FUEL/OIL	11,000.00	9,360.50	9,220.61	3,041.00
1012520	500660	Fire	VEHICLE FUEL/OIL	3,000.00	5,789.77	5,271.21	5,685.00
1012545	500660	Fire	VEHICLE FUEL/OIL	5,500.00	2,032.77	2,199.54	
1012705	500660	Juvenile	VEHICLE FUEL/OIL	6,500.00	4,934.29	3,445.29	
1012800	500660	Alt. Sentencing	VEHICLE FUEL/OIL	6,255.00	2,127.26	3,542.02	
1013034	500660	Facilities Maint	VEHICLE FUEL/OIL	13,260.00	13,690.72	14,286.50	7,276.00
1013904	500660	Landfill	VEHICLE FUEL/OIL	205,000.00	222,864.54	198,386.44	151,583.00
1015005	500660	Parks	VEHICLE FUEL/OIL	595.00	46.50	1,088.75	
1015012	500660	Parks	VEHICLE FUEL/OIL	42,500.00	28,315.78	32,499.38	14,132.00
1015057	500660	Parks	VEHICLE FUEL/OIL	2,625.00	883.11	498.70	
1016200	500660	Library	VEHICLE FUEL/OIL	420.00	-	-	
1016800	500660	Health	VEHICLE FUEL/OIL	2,500.00	873.61	2,241.25	
1016853	500660	Health	VEHICLE FUEL/OIL	3,000.00	-	-	
1016854	500660	Health	VEHICLE FUEL/OIL	2,000.00	2,132.08	1,877.30	2,264.00
2253026	500660	Jump Around Carson	VEHICLE FUEL/OIL	160,000.00	100,133.94	99,299.92	
2401424	500660	Traffic	VEHICLE FUEL/OIL	900.00	506.34	406.83	
2545047	500660	Open Space	VEHICLE FUEL/OIL	7,000.00	3,781.61	4,423.52	
2563038	500660	Street Maint	VEHICLE FUEL/OIL	140,000.00	119,649.07	108,149.80	39,474.00
5012525	500660	Ambulance	VEHICLE FUEL/OIL	35,000.00	34,454.23	35,457.78	16,681.00
5012535	500660	Medtrans	VEHICLE FUEL/OIL	14,000.00	10,504.40	11,788.09	1,757.00
5012537	500660	Basic Life Support	VEHICLE FUEL/OIL	8,000.00	-	-	
5053702	500660	Stormwater	VEHICLE FUEL/OIL	9,000.00	4,188.83	4,126.61	
5103201	500660	Wastewater	VEHICLE FUEL/OIL	56,000.00	32,560.87	40,281.27	
5203502	500660	Water	VEHICLE FUEL/OIL	70,000.00	49,708.09	60,188.84	4,562.00
5305067	500660	Cemetery	VEHICLE FUEL/OIL	2,000.00	335.99	230.56	
5603025	500660	Fleet	VEHICLE FUEL/OIL	10,000.00	51,262.40	8,608.40	66,894.00
5900745	500660	Insurance	VEHICLE FUEL/OIL	600.00	-	-	
				1,025,140.00	893,454.82	851,901.88	405,514.00
						Original Budget	1,025,140.00
							<u>1,430,654.00</u>
						Previous Contract	1,094,654.00
						Proposed Increase	336,000.00
							<u>1,430,654.00</u>