



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: March 16, 2023

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 \$386,000 increase in purchase authority, beyond the previously approved \$1,137,554, for the purchase of (1) bulk fuel and related delivery services utilizing State of Nevada joinder contract 99SWC-NV20-4287 with Interstate Oil Company, contract 99SWC-NV20-4867 with Carson Valley Oil Co., Inc. and contract 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 \$1,523,554 through June 30, 2023. (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 City vehicles. Due to severe disruptions in the global oil market and subsequent higher fuel prices, the City is on-track to exceed the annual fuel budget. If approved, the \$386,000 increase in purchase authority will cover the anticipated overage in fuel costs for the remainder of the fiscal year.

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

July 7, 2022 (Item 9.B) - The Board of Supervisors approved authority for the Public Works Department to utilize the State of Nevada joinder contracts with Interstate Oil Company, Carson Valley Oil Co., Inc. and Flyers Energy, LLC for the purchase of bulk fuel, and with Pilot Thomas Logistics, LLC for additional fuel access through a card lock fueling network, all for an annual not to exceed amount of \$1,137,554 through June 30, 2023.

Background/Issues & Analysis

The City annually utilizes joinder contracts with: (1) Interstate Oil Company (99SWC-NV20-4287), Carson Valley Oil Co. (99SWC-NV20-4283) and Flyers Energy, LLC (99SWC-NV20-4283), through the State of Nevada for bulk fuel and delivery services (collectively, "Bulk Fuel Contracts"); and (2) Pilot Thomas Logistics, LLC (99SWC-NV21-7551) through the State of Nevada 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. Because 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 \$1,137,554 from various city fuel accounts for fiscal year (“FY”) 2023. This purchasing authority was approved by the Board of Supervisors on July 7, 2022. However, due to increased fuel costs throughout FY 2023 stemming from disruptions to the global oil markets, the fuel budget requires a \$386,000 increase from the original projected amount of \$1,137,554, resulting in a new, total not to exceed amount of \$1,523,554 to cover costs for the remainder of FY 2023. The fuel cost projections are based on current fuel pricing and historical monthly fuel consumption.

Joinder contracts being utilized through the State of Nevada:

The Bulk Fuel Contracts all expire January 31, 2024.

https://purchasing.nv.gov/Contracts/Documents/Bulk_Fuels/

The Card Lock Contract, expires March 31, 2025.

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: Citywide vehicle fuel/oil accounts that were approved in the FY 2023 budget.

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Each department will manage their account. FY 2023 expenditures shall not exceed \$1,523,554. Current Fuel Budget, after first augmentation is \$1,329,140; staff will evaluate a need for additional augmentations to fuel during second round of augmentations in June.

Alternatives

Do not approve the increase in purchase authority and/or provide alternative direction to staff.

Attachments:

Board Action Taken:

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

(Vote Recorded By)