



## Legislation Text

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### Resolution to Authorize the Purchase of Gasoline and Diesel Fuel for the City's Fleet for 5 years Beginning FY18

The Fleet and Facilities Unit annually purchases approximately 138,000 gallons of gasoline (including E-85) and 190,000 gallons of diesel fuel (including bio-diesel) for use in City vehicles and equipment. Fleet and Facilities staff have found that daily bidding by facsimile and delivery for the purchase of the fuels is the most advantageous and cost effective method of purchase. Fuel distributors receive a price for fuel from the producers every morning. That price is only in effect for that day. Bids for fuel purchases are sent to seven distributors in the morning for delivery in the afternoon. Using this "spot" bidding and ordering full tanker loads allows us to receive the lowest price. We have successfully used this method to purchase fuel approximately 30 years. Bids by email instead of facsimile may be considered in the future.

This resolution will authorize the purchase of fuel from any fuel distributor that complies with the requirements of the City's Non-discrimination Ordinance and is the lowest responsible bidder. We currently requests bids from the following list of fuel distributors:

Atlas Oil Company, Detroit, MI  
Corrigan Oil Company, Brighton, MI  
Crystal Flash, Grand Rapids, MI  
Lenawee Fuels, Tecumseh, MI  
Petroleum Traders, Fort Wayne, IN  
Ports Petroleum, Wooster, OH  
RKA Petroleum, Romulus, MI

Additional distributors are added as we become aware of them.

Adequate funds for fuel purchases have been budgeted in the approved FY18 Fleet and Facilities Unit Operations and Maintenance budget. Fuel charges are passed through to the using service units via the fleet rates.

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Approved by: Howard S. Lazarus, City Administrator

Whereas, The Fleet and Facilities Unit and the Public Works Unit purchases gasoline and diesel fuel for City's vehicles and equipment; and

Whereas, It has been determined that it is advantageous to obtain spot bids at the time of fuel purchases;

RESOLVED, That City Council approve the purchase of gasoline and diesel from any fuel distributor that meets the City of Ann Arbor's Non-discrimination Ordinance requirements and is the lowest

responsible bidder;

RESOLVED, That City Council authorizes the Fleet and Facilities Unit of the Public Service Area to purchase gasoline and diesel fuel as necessary using spot bidding for five years beginning with fiscal year 2018, subject to the availability of funding in subsequent fiscal years; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.