



Legislation Text

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Resolution to Authorize the Purchase of Gasoline and Diesel Fuel for the City's Fleet for Five Years Beginning FY2024

The Fleet and Facilities Unit annually purchases approximately 120,000 gallons of gasoline and 200,000 gallons of diesel fuel for use in City vehicles and equipment. Fleet and Facilities staff have found that daily bidding by email 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.

When fuel is needed, Fleet Services emails bids for fuel purchases to approved distributors in the morning for delivery of fuel 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 for over 30 years.

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

Corrigan Oil Company, Brighton, MI
Lenawee Fuels, Tecumseh, MI
Petroleum Traders, Fort Wayne, IN

Additional distributors are added as we become aware of them, and they complete the City's required compliance documents.

Budget and Fiscal Impact: Adequate funds for fuel purchases have been budgeted in the approved FY24 Fleet and Facilities Unit Operations and Maintenance budget. Fuel purchases in FY25, FY26, FY27 and FY28 would be subject to the availability of funds in subsequent fiscal years. Fuel charges are passed through to the using service units via the fleet rates.

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Reviewed by: John Fournier, Deputy City Administrator
Approved by: Milton Dohoney Jr., City Administrator

Whereas, The Fleet and Facilities 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 fuel from any fuel distributor that meets the City of Ann Arbor's Non-discrimination Ordinance requirements, Vendor Conflict of Interest requirements and is the lowest responsible bidder;

RESOLVED, That City Council authorizes the Fleet and Facilities Unit to purchase gasoline and diesel fuel as necessary using spot bidding for five years beginning with fiscal year 2024, 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.