

# Request for Council Action

Originator Purchasing	Item <b>Fixed Fuel - Approve Quantity Commitment</b>
Agenda Section Consent Business	Date 10/24/2016

Description

The State of Minnesota has requested agencies utilizing the State of Minnesota Fixed and Spot Price Fuel Program to submit their participation levels for the next contract period no later than October 25, 2016.

Council authorized the City's participation in the State of Minnesota Fixed and Spot Price Fuel Program on the fixed price portion of the program during 2016-2017. The City used the fixed price feature of the program for 75% of the City's annual use of unleaded gasoline with the remaining 25% being purchased under the spot price portion of the contract. The City also used the fixed price feature of the program for 50% of the City's annual bio-diesel fuel use with the remaining 50% being purchased under the spot price portion of the contract. The percentages of fuel purchased at the fixed rate allow the City to take advantage of the pricing on the contract and still maintain adequate diesel fuel reserves.

The Council is requested to authorize a quantity commitment of 157,050 gallons of unleaded gasoline, 24,000 gallons of B10 bio-diesel fuel, and 27,000 gallons of B-5 bio-diesel fuel for the period beginning February 1, 2017 through January 31, 2018.

The 2016 fixed price for unleaded gasoline is \$1.59 per gallon. The fixed price for B-5 bio-diesel fuel (winter blend) is \$1.72 and B-10 bio-diesel fuel (summer blend) is \$1.59 per gallon. Prices are based on a 6,000 to 6,999 gallon delivery.

Funding for these purchases is budgeted annually by the Equipment and Recreational Facilities Divisions.

Item created by: Heather Boettcher  
Presenter: Karl Keel

Requested Action

Recommended motion: Move to authorize the City's annual quantity commitment under the fixed price portion of the State of Minnesota Fixed and Spot Price Fuel contract for the period from February 1, 2017 through January 31, 2018 at 157,050 gallons of unleaded gasoline, 24,000 gallons of B10 bio-diesel fuel, and 27,000 gallons of B-5 bio-diesel fuel.

Attachments: