

Request for Council Action

Originator Purchasing	Item Fixed Fuel - Approve Quantity Commitment
Agenda Section	Date 9/8/2014

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 September 23, 2014.

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 2013 - 2014. The City used the fixed price feature of the program for 75% of the City's annual usage for 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 usage for bio-diesel fuel 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.

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, 2015 through January 31, 2016.

The 2014 fixed price for unleaded gasoline is \$2.63 per gallon. The fixed price for B-5 bio-diesel fuel (winter blend) is \$3.14 and B-10 bio-diesel fuel (summer blend) is \$3.06 per gallon. Prices are based on a 6,000-6,999 gallon delivery.

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

Requested Action

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, 2015 through January 31, 2016 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: