

# Mayor and Council Communication

**DATE:** 05/24/22

**M&C FILE NUMBER:** M&C 22-0376

**LOG NAME:** 13PILA FUEL CARD AND RELATED SERVICES AR PMD

## **SUBJECT**

(ALL) Authorize Execution of a Purchase Agreement with Mansfield Oil Company of Gainesville, Inc., Using an Interlocal Agreement with the City of Plano for Fleet Fuel Cards and Related Services in an Annual Amount Up to \$7,000,000.00 and Authorize Five One-Year Renewal Options for the Same Amount for the Property Management Department

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## **RECOMMENDATION:**

It is recommended that the City Council authorize a purchase agreement with Mansfield Oil Company of Gainesville, Inc., using an Interlocal Agreement with the City of Plano for fleet fuel cards and related services in an annual amount up to \$7,000,000.00 and authorize five one-year renewal options for the same amount for the Property Management department.

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## **DISCUSSION:**

In May 2022, the Property Management Department requested that the Purchasing Division enter into an agreement for fleet fuel cards and related services. City departments will utilize these fuel cards to refuel City vehicles and equipment when service centers are not available in their area or when vehicles travel out of town. The City of Fort Worth's (City) current contract will expire on May 30, 2022.

In March 2022, The City of Plano issued Request for Proposal (RFP) No. 2022-0247-AC. The Solicitation was advertised in the *Dallas Morning News* on March 18, 2022 and March 25, 2022 as well as being posted on [www.dallasnews.com](http://www.dallasnews.com) and [www.ionwave.com](http://www.ionwave.com). The City of Plano received one proposal in response to the RFP from Mansfield Oil Company of Gainesville, Inc.

The proposal was evaluated by a committee that included a representative of the City of Fort Worth. Evaluation factors included Past Performance, Card Acceptance, Coverage Area, Electronic Capability, Card Control, Customer Support and Pricing. Mansfield's proposal was determined to be the best evaluated offer.

Mansfield will provide fleet fuel cards with pricing of 0.75 percent (3/4 of 1 percent) discount off of retail pricing for all types of fuel (Unleaded, Unleaded – Mid Grade, Unleaded – Premium, E85 and Diesel – Regular). There are 3,700 fueling locations that accept Mansfield's fleet fuel card in Tarrant County, Dallas County, Denton County and Collin County. Also, there are 19,400 fueling stations that accept Mansfield's fleet fuel card in the State of Texas.

COOPERATIVE PURCHASE – Mansfield agreed to extend prices and terms to all entities who have entered into or will enter into Cooperative Purchasing Agreements. State Law provides that a local government is authorized to purchase from a cooperative purchasing program with another local government or a local cooperative organization pursuant to Chapter 271 Subchapter F of the Local Government Code and by doing so satisfies any state law requiring local governments to seek competitive bids for items. City of Plano Contract No. 2022-0247-AC was competitively bid to increase and simplify the purchasing power of local government entities.

FUNDING- Funding is budgeted in the Fleet Fuel Card Purchases account of the Property Management Parts & Fuel Inventory Department's Fleet & Equipment Service Fund of which approximately \$1M will be available to spend for Fiscal Year 2022 towards this contract.

ADMINISTRATIVE CHANGE ORDER - An administrative change order or increase may be made by the City Manager in the amount up to \$100,000.00, and does not require specific City Council approval as long as sufficient funds have been appropriated.

AGREEMENT TERM - Upon the City Council's approval, the term of the Agreement will begin June 1, 2022 and expire May 31, 2023 to correspond with the City of Plano's Cooperative Contract.

RENEWAL OPTIONS – This Agreement may be renewed for up to five additional one-year terms at the City's option in accordance with the City of Plano's contract. This action does not require specific City Council approval, provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

A M/WBE goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as previously appropriated, and upon adoption of the Fiscal Year 2023 Budget by the City Council, funds will be available in the Fleet & Equipment Serv Fund, as appropriated to support the approval of the above recommendation and execution of the purchase agreement. Prior to an expenditure being made, the Property Management department has the responsibility to validate the availability of funds.

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Expedited