

AGENDA ITEM # _____

DATE: March 16, 2015

COAC NUMBER: 15-5448

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

**SUBJECT: Approval of the Use of
Budgeted Operating Funds for Senergy
Holdings Contract for Bulk Fuel**

STAFF PRESENTER: Charles
Schneider, Fleet Superintendent
COMPANY
CONTACT:

RECOMMENDATION:

Approve the use of funds from the FY15 Fleet operating budget for the purchase of bulk fuel (unleaded, diesel, and E-85) from Senergy Holdings via a cooperative contract with the State of Arizona, in the amount of \$800,000.00.

PURPOSE:

Resolution 08-1255, which became effective on October 22, 2008, requires all budgeted expenditures of \$500,000 or more obtain Council approval before the issuance of a Purchase Order, Change Order, or Notice to Proceed. City Council approved the FY15 Fleet operating budget which includes funds for the purchase of bulk fuel. However, because the total expenditures for Fiscal Year 2015 to a single vendor will exceed \$500,000, it is being brought before Council for approval.

BACKGROUND AND COMMUNITY BENEFIT:

The City is utilizing a cooperative purchasing agreement through the State of Arizona, which was recently renewed with Senergy Holdings (formerly Union Distributing Company of Tucson) through January 30, 2016, which meets the purchasing requirements of the City. Additionally, the City will be entering into its own direct contract with Senergy Holdings. This is an initial one-year contract with the option to extend for two additional one-year periods.

PREVIOUS ACTIONS AND DISCUSSION:

With the approval of budget for Fiscal Year 2015, funds were allocated for the purchase of bulk fuel. While the vendor is paid from the Fleet operating budget, the fuel is used by all City vehicles and equipment.

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FISCAL ANALYSIS:

Fiscal year to date, we have expended \$423,104 with Senergy Holdings for bulk fuel and are estimating to spend approximately \$800,000 for the fiscal year. The funds are budgeted in the FY15 Fleet operating budget.

ATTACHMENTS:

CON-15-3219

Exhibit A – State of Arizona cooperative contract with Senergy Holdings (formerly Union Distributing Company of Tucson)