



City Council Report

Date: January 9, 2023
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Ratification of an Emergency Purchase and Establishment of a Term Contract with Optional Renewals Using a Cooperative Contract for the Purchase of Gasoline and Diesel Fuel for the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the emergency purchase as recommended.

The Fleet Services Department and Purchasing recommend ratifying the purchase using the State of Arizona cooperative contract with Senergy Petroleum for up to \$6,865,000, based on estimated usage.

Background / Discussion

This purchase provided emergency gasoline and diesel fuel deliveries due to the current contracted vendor, Western States Petroleum (WSP) not being able to deliver unleaded or diesel fuel to the City. WSP recommended the City use a secondary source. Senergy Petroleum provided emergency deliveries for \$63,358.59.

Additionally, the City will need to continue purchasing fuel from Senergy Petroleum when WSP is unable to deliver regularly when orders are placed. Fleet Services estimates the annual cost of up to \$6,800,000, based on estimated usage.

The emergency purchase was approved by the City Manager's office to protect public safety as provided in the City Code.

Purchase Information

Action: Emergency Purchase: Immediate preservation of the public safety
Invoice Numbers: SEN-440209 (12/7/2022), SEN-442567 (12/9/2022), and SEN-442560 (12/9/2022)
Procurement Type: Cooperative Contract Use
Contract Number: 2023151
Contracting Agency/Contract Number: State of Arizona/CTR063147
Initial Contract Term: Eleven Months (1/9/2023 to 11/16/2023)
Current Contract Term: Year 1 (11/17/2022 to 11/16/2023)
Possible Renewals: Up to a maximum of four years subject to Administrative review and approval
Funding Source: Fleet Services Department operating budget through the Fleet Internal Services Fund