



TO: Mayor Tom Ross
Members of the City Council

FROM: Jason Sorenson, Utilities Director

DATE: May 6, 2024

SUBJECT: 2024 AWARD OF FUEL BID (4857)

I. RECOMMENDED ACTION

1. Recommend council award the bid for fuel to Farstad as a primary supplier and Enerbase as a secondary supplier.

II. DEPARTMENT CONTACT PERSONS

Jason Sorenson, Utilities Director

III. DESCRIPTION

A. Background

Public Works orders fuel for use by all of the city departments. This is dispensed from tanks located at the public works facility. Annual amounts consist of approximately 70,000 gallons of unleaded gas, 70,000 gallons of #1 or winter master diesel and 70,000 gallons of #2 or summer diesel. Quantities are delivered by the tanker load by the suppliers and are in quantities from 6,000 to 9,000 gallons at a time. With the limited storage capacity, it is important that fuel be available within 24 hours' notice to provide a reliable supply during snow season.

B. Proposed Project

On April 19, 2024, the Public Works Department opened bids for providing the City with approximately 210,000 gallons of diesel and unleaded gas. Farstad submitted a bid of \$0.0025/gal over rack price for winter blend diesel, \$0.001 for summer blend diesel and \$0.001/gal for unleaded. Enerbase submitted a bid of \$0.0075/gal over rack for all fuels.

The bids submitted appear to meet all of the requirements of the bid specifications. Award is recommended to both companies due to volatility in the fuel markets and delivery shortages that occur from time to time. This will ensure an approved secondary vendor will be able to make deliveries during shortages or other issues.

C. Consultant Selection

N/A

IV. IMPACT:

A. Strategic Impact:

N/A

B. Service/Delivery Impact:

If deliveries are not provided within 24 hours, as stated in the bid documents, departments operations could be jeopardized.

C. Fiscal Impact:

Project Costs

Fuel is a commodity that fluctuates with market conditions. Vendors will supply fuel to the City of Minot at market price or "rack price" plus markup and delivery. If all 210,000 gallons of fuel are delivered the markup from Farstad amounts to \$315 and \$1,575 for Enerbase

Project Funding

Each department that uses fuel has funds budgeted in their 2024 budget.

V. CITY COUNCIL ASPIRATIONS

This agenda item achieves the council aspiration of resilient and prepared.

VI. ALTERNATIVES

N/A

VII. TIME CONSTRAINTS

N/A

VIII. LIST OF ATTACHMENTS