



# City of Killeen

## Legislation Text

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**File #:** RS-22-113, **Version:** 1

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Consider a memorandum/resolution to increase the City's fuel services amount from \$2,500,000 to \$2,800,000 for the remainder of FY 2022 and set an amount not to exceed of \$3,000,000 for future years.

**DATE:** August 16, 2022  
**TO:** Kent Cagle, City Manager  
**FROM:** Judith Tangalin, Interim Executive Director of Finance  
**SUBJECT:** Increase of Fuel Services

### **BACKGROUND AND FINDINGS:**

The current contract with FleetCor approved on March 22, 2022, was in an amount not to exceed \$2,500,000. The FleetCor contract utilizes cooperative contract pricing through the OMNIA Partners. With available contract extensions, the contract is effective through December 31, 2026. Due to increasing fuel prices during the current fiscal year 2022, it is now estimated that this amount will be exceeded by \$300,000. The new projected amount not to exceed is forecasted to be \$2,800,000. This item is being brought before council because it is over \$50,000.

### **THE ALTERNATIVES CONSIDERED:**

- 1.) Do not increase the fuel services amount.
- 2.) Approve the increase in the fuel services amount.

### **Which alternative is recommended? Why?**

The second alternative is recommended to maintain resource efficiency, fuel security, and cost effectiveness.

### **CONFORMITY TO CITY POLICY:**

Purchases made through a cooperative contract are exempt from the competitive bidding process as stated in Texas Local Government Code (TLGC) section 271.102, subchapter F; a local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.

### **FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

The estimated annual amount to be spent on fuel purchases fluctuates and is dependent upon market conditions. The current FY 2022 estimated fuel expenditure is now forecasted to be \$2.8 million.

**Is this a one-time or recurring expenditure?**

Recurring

**Is this expenditure budgeted?**

Yes, each department/division includes funding in its annual budget for fueling the fleet in account xxx-xxxx-xxx.41-30. The estimated increases are included in the year end budget amendment being presented at this same meeting.

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

Yes, upon approval of the year end budget amendment.

**RECOMMENDATION:**

City Council authorize the increase of the City's fuel services amount from \$2,500,000 to \$2,800,000 for the remainder of FY 2022 and set an amount not to exceed of \$3,000,000 for future years.

**DEPARTMENTAL CLEARANCES:**

Fleet Services  
Purchasing  
Finance  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

N/A