

## COUNTY OF NEVADA COMMUNITY DEVELOPMENT AGENCY

## DEPARTMENT OF PUBLIC WORKS

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## NEVADA COUNTY BOARD OF SUPERVISORS

**Board Agenda Memo** 

**MEETING DATE:** July 9, 2024

**TO:** Board of Supervisors

**FROM:** George Schureck, Acting Director of Public Works

**SUBJECT:** Resolution authorizing fuel purchases for Nevada County Fleet from

Hunt and Sons, LLC for an annual not to exceed total of \$1,212,000

Fiscal Year 2024/2025

**RECOMMENDATION:** Adopt the Resolution.

<u>FUNDING</u>: This fuel expense – both gas and diesel - is included in the Fiscal Year 2024/2025 Fleet Services' budget. Reimbursement for the cost is collected through Fleet rates and direct charges to department owned vehicles, buses, and equipment. A budget amendment is not required and there is no impact to the General Fund.

**BACKGROUND:** Nevada County Fleet Services purchases fuel for all County vehicles, buses, trucks, and heavy equipment. The fuel products are procured at a discounted rate by leveraging a co-operative competitively awarded agreement issued by the Department of General Services (DGS) Contract ID No. 1-23-91-02A from Hunt and Sons, LLC, a Sacramento based commercial and bulk fuel provider. The DGS contract with Hunt and Sons, LLC ends March 1, 2026, thus necessitating just one renewal option that ends on that same date for a contract between Hunt and Sons, LLC, and Nevada County.

In addition to operating 35 commercial cardlock fueling sites in Northern California, Hunt and Sons is part of the CFN fueling network, accepted at many popular gas stations including: Chevron, Speedway, Shell, and many more for out-of-town travel. This network gives access to over 236,000 fueling stations nationwide. On the rare instance a CFN station is not available out-of-town, staff is equipped with Voyager cards to utilize at any gas station. Locally, the CFN fuel stations are some of the largest in the County, easily maneuvered for larger trucks and equipment, a necessity for Roads, Sanitation and Transit vehicles.

While fuel prices fluctuate daily and from station to station, our account with Hunt and Sons maintains a \$0.14 margin discount, meaning we pay \$0.14 per gallon over the Oil Price Information Standard (OPIS); a global provider of energy prices, news and analysis on oil, gasoline, diesel, and other commodities. That margin can translate to as much as an eighteen (18) percent discount on retail fuel, as it did on May 21, 2024, when the fuel retail price was \$5.179, and the County price was \$4.239 per gallon.

The Nevada County Purchasing Policy Section 4.5 (B) allows for purchases made from other public agencies competitive solicitations, or by use of Joint Powers Agreements, Cooperative Purchasing programs, Pooling Agreements, and other recognized types of agreements used by government agencies to combine agency requirements for purchases in order to obtain volume discounts.

Purchasing Policy Section 7.1 (C) requires Board approval for all purchases of goods/commodities with a total aggregate amount exceeding \$250,000. Therefore, the Board's approval is required to establish a blank purchase order (BPO) in the amount not to exceed \$1,212,000 for Fiscal Year 2024/25.

## **Attachments:**

1. Resolution

**Item Initiated by:** Josh Hylinski, Fleet Services Manager

**Approved by:** George Schureck, Acting Director of Public Works