



Legislation Text

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File #: 22-1136, Version: 1

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**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the award of Change Order #1 to Option Year Three of Contract 18-025, Motor Fuel, to Luke Oil for an amount not to exceed \$270,000 and a total award of \$1,270,000

**DEPARTMENT:** Department of Public Works

**SUBMITTED BY:** Richard Dublinski, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

The Department of Public Works - Fleet Services (DPW) manages the diesel and unleaded motor fuel supply for the City's fleet. DPW also supplies fuel for School Districts 203 and 204, Naperville Public Library, and Naper Settlement. DPW dispenses approximately 250,000 gallons of unleaded gasoline and 130,000 gallons of diesel fuel per year.

In July 2018, the City Council awarded Contract 18-025 for motor fuel to Luke Oil for an 18-month term with three, one-year options to extend. The first option year was approved in February 2020, the second option year was approved in February 2021, and the third and final option year was approved in February 2022. The term of the third option year is April 1, 2022 to March 31, 2023.

**DISCUSSION:**

This Change Order is requested to add funds to cover fuel purchases through the end of the contract term. The 2022 budget for fuel was increased by 13% in anticipation of rising fuel prices due to the pandemic. Fuel prices soared to an unprecedented high in 2022 due to several global factors.

Throughout the year, the City has regularly monitored fuel rates and compared the rates to the same month last year. In June, unleaded and diesel fuel costs were 60% more than in the same period in 2021.

**FISCAL IMPACT:**

Motor Fuel is expensed to the fuel account below. A total of \$1,171,200 has been budgeted for fuel in 2022. The requested award of \$270,000 exceeds the amount budgeted for this expense. There are sufficient funds in the Equipment Parts account to cover this expense for 2022 and the 2023 budget will be adjusted to reflect the higher pricing.

Account Number	Fund Description	Total Budget Amount
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31351100-541403	General Fund	\$1,276,200
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