

# **City of Scottsbluff, Nebraska**

**Tuesday, February 20, 2024**

**Regular Meeting**

## **Item Bids3**

**Council to discuss and consider action on approving three year Fuel Contract with Panhandle Coop beginning March 20, 2024 and authorize the Mayor to sign the Contract.**

**Staff Contact: Mark Bohl, Public Works Director**

# Agenda Statement

Item No.

For Meeting of: \_\_\_February 20, 2024

**AGENDA TITLE:** Consideration and approval of Fueling Card System for the City of Scottsbluff.

**SUBMITTED BY DEPARTMENT/ORGANIZATION:** Transportation

**PRESENTATION BY:** Mark Bohl, Director of Public Works

**SUMMARY EXPLANATION:** RFP's for the fueling card system were received until 11:00 A.M. on February 7, 2024 as follows:

Panhandle Coop - .07 cents per gallon off of posted sign price/cash, .13 cents off for charge card.

APEX Petroleum - .06 cents off per gallon.

Boyett Petroleum - .03 cents off per gallon.

The current contract with Essentials Fuels expires on March 19, 2024. Need Council approval to sign fuel contract with Panhandle Coop for three years, beginning on March 20, 2024.

**BOARD/COMMISSION/STAFF RECOMMENDATION:** \_\_\_Panhandle Coop\_\_\_\_\_

Does this item require the expenditure of funds? \_\_\_X\_\_\_yes \_\_\_no

Are funds budgeted? \_\_\_X\_\_\_yes \_\_\_no

If no, comments:

Estimated Amount \_\_\_\_\_

Amount Budgeted \_\_\_\_\_

Department \_\_\_\_\_

Account Description \_\_\_\_\_

\_\_\_\_\_ Individual city departments have fuel budgeted \_\_\_\_\_

\_\_\_\_\_ All departments with vehicle usage \_\_\_\_\_

\_\_\_\_\_ Gasoline and Other Fuel \_\_\_\_\_

Approval of funds available \_\_\_\_\_

City Finance Director

## EXHIBITS

Resolution  Ordinance  Contract  Minutes  Plan/Map

Other (specify)  Bid Sheets, Fuel Services Agreement \_\_\_\_\_

**NOTIFICATION LIST:** Yes  No  Further Instructions

Please list names and addresses required for notification.

**APPROVAL FOR SUBMITTAL:** \_\_\_\_\_

City Manager

## FUEL SERVICES AGREEMENT

This Fuel Services Agreement (“Agreement”) is by and between the City of Scottsbluff, Nebraska (“Scottsbluff”), a Nebraska political subdivision, and Panhandle Cooperative Association (“COOP”), a Nebraska cooperative company.

### Recitals:

I. Scottsbluff has provided a Request for Proposal (the “RFP”) to COOP, along with other fuel providers, for the purposes of soliciting a long-term agreement for the purchase and provision of bulk fuel to Scottsbluff and its various municipal departments.

II. COOP has provided and submitted a proposal (the “Proposal”) to Scottsbluff that sets forth the terms of a proposed long-term agreement for the purchase and provision of bulk fuel to Scottsbluff and its various municipal departments.

III. Scottsbluff desires to accept the Proposal submitted by COOP, and COOP desires to comply with the terms and conditions of the RFP and its submitted Proposal, for the purpose of COOP supplying and providing bulk fuel to Scottsbluff and its various municipal departments.

IV. WHEREFORE, the parties desire to enter into this Agreement according to the terms and conditions set forth below.

### Agreement:

1. Term: This Agreement shall become effective on March 19, 2024 and shall be in effect for a period of three (3) years thereafter (the “Term”), subject to the termination set forth below. After the Term This Agreement will terminate. No extension or renewal of this Agreement shall occur except as subsequently agreed upon in writing by both parties.

2. Services:

A. This Agreement is understood by both parties to be a “requirements contract.” As such, COOP shall provide to Scottsbluff all fuel required of Scottsbluff and its municipal departments while this Agreement is in effect. The term “fuel” in this Agreement shall mean and include the following types: (1) regular unleaded gasoline (85 octane); (2) super unleaded gasoline (87 octane); (3) premium unleaded gasoline (91 octane); (4) # 1 clear diesel fuel; and (5) # 2 Roadmaster diesel fuel as well as Kerosene, all as set forth on the Tabulation Sheet attached to the Proposal, marked as Exhibit “A” attached hereto and incorporated by this reference.

B. Scottsbluff shall have no obligation to purchase fuel from COOP if fuel is not required for Scottsbluff. Scottsbluff can require fuel less than or in excess of the estimated

annual amounts set forth in the RFP and the Proposal. The estimated annual amounts set forth in the RFP and the Proposal are only estimates, and any quantities of fuel listed therein reflect only the current, non-binding expectations of Scottsbluff. Scottsbluff agrees COOP shall be the primary fuel provider for Scottsbluff and its various municipal departments during the term of this Agreement. COOP shall allow Scottsbluff and its employees or agents access to COOP's retail dispensing equipment at COOP stations twenty-four (24) hours a day and three-hundred-sixty (365) days a year.

C. COOP shall supply to Scottsbluff "Fuel Cards." Each Fuel Card shall be specific to a vehicle, unit, or item of equipment for which fuel is pumped. A four digit PIN number shall be assigned to each Fuel Card. The employee or agent of Scottsbluff shall sign each receipt upon delivery, and the hard copy receipt shall serve as the signature of the Scottsbluff employee or agent pumping fuel for that vehicle, unit, or item of equipment.

D. COOP shall supply fuel at its following stations in Scottsbluff, Nebraska: (1) 401 South Beltline Highway West; and (2) 3302 Avenue B.

E. Upon request by Scottsbluff, its vehicles, units, or items or equipment shall be given priority and accommodation by COOP at its stations in order to obtain fuel.

3. Price: While this Agreement is in effect, COOP shall provide all fuel to Scottsbluff at a price seven cents (\$0.07) below the posted price of the fuel at the time the fuel is delivered and thirteen cents (\$0.13) off of charge when delivered. All discounts shall be applied to Scottsbluff's monthly statement (as set forth in paragraph 4 below) and not at the time the fuel is pumped. The state and federal excise taxes (at the normal rate of such tax) on any fuel pumped shall be deducted from the total amount by COOP and paid by COOP as indicated on Exhibit "A".

4. Billing: COOP shall provide monthly statements to Scottsbluff for all fuel delivered and charged to any issued Fuel Card during the previous billing cycle. The invoices shall include the following information for each fuel transaction: (1) date fuel was pumped; (2) PIN and Fuel Card for the vehicle, unit, or item or equipment; (3) odometer or hour reading of the vehicle, unit, or item of equipment; (4) time and date of the fuel transaction; (5) total gallons of fuel delivered and (6) the posted price per gallon of such fuel at the time it is delivered. Hard copy receipts of every transaction shall be supplied from the COOP station employee or the dispensing equipment at the time of the transaction.

5. Unauthorized Delivery:

A. Subject to paragraph 5.B below, Scottsbluff shall be liable for all charges made under any issued Fuel Card. This includes: (1) any charges made by a person entrusted with a Fuel Card, whether or not Scottsbluff authorized such charges or entrustment; (2) any charges made by a member of any of a Scottsbluff employees' or agents' family, or any adult person

residing with any of Scottsbluff's employees or agents; and (iii) any charges made by any person who has obtained a Fuel Card from Scottsbluff's employees or agents whether or not the Card was obtained with the consent of Scottsbluff or Scottsbluff's employee or agent.

B. Within twenty-four (24) hours of being notified in writing by Scottsbluff that an actual or suspected unauthorized use of a Fuel Card has occurred and that the Fuel Card should be cancelled, COOP shall cancel the Fuel Card. If COOP fails to cancel such card within twenty-four (24) hours, COOP shall be responsible for every use of such Fuel Card thereafter and Scottsbluff shall not be obligated to pay for any fuel delivered under that such Fuel Card after that time. If the time within which to cancel the Fuel Card does not fall on a business day, COOP shall cancel the Fuel Card by the end of the first business day thereafter.

6. Termination:

A. This Agreement shall remain in force for its Term and any subsequent written agreement signed by both parties. Scottsbluff shall have the right to terminate this Agreement sooner if it determines that COOP has failed to perform satisfactorily the services required or breached a material term of this Agreement, as determined by Scottsbluff. In the event Scottsbluff decides to terminate this Agreement for failure to perform satisfactorily or for breaching a material term of this Agreement, Scottsbluff shall give COOP at least fifteen (15) days' written notice before the termination takes effect. The fifteen (15) day period will begin upon the mailing of notice by Scottsbluff. If COOP fails to cure the default within the fifteen (15) days specified in the notice, and COOP is terminated for failure to provide satisfactory performance or for breaching a material term of this Agreement, COOP shall be entitled to receive compensation for all reasonable, allocable, and allowable services satisfactorily performed to the effective date of termination. In the event Scottsbluff terminates this Agreement under this subparagraph, COOP shall be liable for all excess costs Scottsbluff is required to expend due to such default, including expenses to cover the fuel which would have been delivered under this Agreement.

B. All funds for payment by Scottsbluff under this Agreement are subject to the availability of an annual appropriation for this purpose by Scottsbluff. In the event of nonappropriation of funds by Scottsbluff for the services provided under this Agreement, Scottsbluff will terminate the Agreement, without termination charge or other liability, on the last day of Scottsbluff's fiscal year in which funds were appropriated. If at any time funds are not appropriated for the continuance of this Agreement, Scottsbluff shall provide thirty days' prior written notice, but failure to give such notice shall be of no effect and Scottsbluff shall not be obligated under this Agreement beyond the date of termination.

C. If, at any time while this Agreement is in effect, Scottsbluff considers the services provide by COOP to create a condition that threatens the health, safety, or welfare of the community, COOP shall, on being notified by Scottsbluff, immediately correct such deficiency. In the event COOP fails, after notice, to correct deficiency immediately, Scottsbluff shall have

the right to order the correction of the deficiency by its own resources or with a separate contract with a third party, at the expense of COOP.

D. COOP may terminate this Agreement, upon giving Scottsbluff at least fifteen (15) days' written notice and an opportunity to cure within such fifteen (15) day period, if Scottsbluff is in material default of any term or provision of this Agreement, including the nonpayment of any monthly invoice within thirty (30) days after it is due.

~~E. At the time of termination, all Fuel Cards issued under this Agreement shall be cancelled by COOP and returned or destroyed by Scottsbluff.~~

7. Indemnification: COOP agrees to indemnify and hold Scottsbluff harmless, including its employees, agents, and officers, against any and all damage, harm, claims, liabilities, or demands arising out of, in whole or in part, the fuel services provided under this Agreement

8. General Terms:

A. This Agreement may not be assigned, voluntarily or by operation of law, by either party without prior written consent from the other party, which will not be unreasonably withheld. COOP may subcontract all or any portion of the card services for the Fuel Cards using vendors both within and outside the United States.

B. This Agreement may be executed in two or more counterparts, each of which is deemed an original, and all of which together constitute one and the same instrument. Facsimile, electronic or other copies of the executed Agreement are deemed valid and effective.

C. The RFP and the Proposal, shall be a part of this Agreement by reference, and its provisions are incorporated herein by reference. In the case of a conflict between this Agreement, the RFP, and the Proposal, the provisions of the RFP shall govern over this Agreement and the Proposal.

D. Any provision of this Agreement that is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable will be deemed void; and the remainder of this Agreement will continue in full force and effect. To the extent any provision is deemed void pursuant to the foregoing, the court will substitute a valid provision approximating the intent of the parties.

E. Nebraska law governs the interpretation, validity and enforcement of this Agreement, without regard to its conflicts of law. Venue for any suit or claim shall be in the District Court of Scotts Bluff County, Nebraska.

F. Except for a request to cancel a Fuel Card, all notices required of either party shall be provided by first class mail, postage prepaid, to the addresses set forth below. All change of

addresses will be communicated to either party in writing and shall take effect fifteen (15) days after communication is sent. Any request to cancel a Fuel Card may be made via facsimile or email to the party's designated facsimile number or email address.

If to Scottsbluff:

City of Scottsbluff  
Finance Department  
2525 Circle Drive  
Scottsbluff, NE 69361

If to COOP:

Panhandle Cooperative Association  
Energy Coordinator  
Avenue B and South Beltline Highway  
Scottsbluff, NE 69361

G. This Agreement, along with the terms of the RFP and the Proposal, constitutes the entire agreement and understanding of the parties. This Agreement shall not be modified, amended, or changed, except as agreed upon in writing signed by both parties.

H. Both parties shall abide by and comply with all laws, rules, regulations, statutes, or ordinances applicable to the services and obligations contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

**City of Scottsbluff, Nebraska**

**Panhandle Cooperative Association**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk



City of Scottsbluff

Tabulation Sheet for Gasoline, Diesel

And Other Fuel Purchases

Vendor Name: Panhandle Cooperative Association  
(Future Legacy Cooperative)

Vendor Location(s):  
• 401 S. Beltline Hwy W, Scottsbluff  
• 3302 Ave B, Scottsbluff

Cost of Fuel Cards (100):  
(If any costs) - 0 -

Tax Discount Available to City  
(Federal Excise), Per Gallon:

Unleaded: .183 (all products)

Diesel: .243 Clear #1, Roadmaster, #2

Other Fuels: Kerosene - no tax

Purchasing Discount from Pump  
Price, Per Gallon: .07 off of <sup>Street</sup> Sign price/cash  
(.13 off of charge)

Description of Billing: 30 day - see attached

Emergency Power (Options): tank wagon backup -  
see attached

Please return by 11:00 A.M., MST, February 7, 2024 to City of Scottsbluff, 2525  
Circle Drive, Scottsbluff, NE 69361  
ATTN: City Clerk



see attached  
for other  
info



City Clerk  
Kimberly Wright  
City of Scottsbluff  
2525 Circle Drive  
Scottsbluff, Nebraska 69361

February 6, 2024

RE: "Fuel Card System"

Dear Sirs/Madam,

Please find below our proposal to you based on your criteria.

A) Panhandle Cooperative Association (future Legacy Cooperative) has a vendor card system that can accommodate all the City's needs.

We offer a billing statement for each department  
Each department can have different vehicles attached to that department.

The option for a vehicle number is available (or a 4 digit number)  
This option is asked for at the time of fueling.

The option for an odometer reading is available (or a 6 digit number)  
This option is asked for at the time of fueling.

A listing of cards to vehicles to people can be provided also.

Cards can be locked out for added security.

B) There is **no cost** associated with the cards.

The fuel taxes that the City is exempt will be taken off monthly.  
(a yearly exemption certificate needs to be provided to the Coop, per IRS regs)

1. **CARDS** our 24-hour fueling cards can be provided with one day notice. If card not reading, the magnetic strip may be compromised and a new card would be needed, for faster service, a stop by the corporate office Monday thru Friday 8-5 and a new card will be issued with approximate down time to driver of 10 minutes.
2. **FUEL TAXES** Fuel taxes will be computed monthly and taken off billing statements to appropriate departments.
3. **BILLING** Please find attached a "Sample" vendors monthly main billing statement for the account (which would have any miscellaneous purchases listed also) and with the main statement a listing of vehicles and any information that has been requested (gallons, vehicle number, odometer or other information vendor chooses to input)
4. **EMERGENCY POWER** In the event of an emergency and power is lost a tankwagon will be available for refueling vehicles/generators in need...in the event of a localize emergency a tankwagon would be available and have gas and diesel available on one truck. Skid tanks and 12 volt pumps are available also.

5. **CONTRACT** We also have in lieu of cents off at the pump multi-month locked in price contracts as an added option.
6. **LOCATION** We offer multiple fueling locations:  
**Plaza Station** -401 South Beltline Hwy West, Scottsbluff  
**North Ampride**-3302 Ave B, Scottsbluff  
if the need would arise fuel can be purchased at Kimball and Bridgeport, Hyannis, Nebraska or in Torrington Wyoming.
7. **PRICE** Panhandle Cooperative will offer .07 off of the cash price or off the posted hiway sign with a 30 day charge.

#### **PRODUCTS AVAILABLE**

- 85 Octane gasohol
- 87 Octane gasohol
- 91 Premium unleaded -NO ALCOHOL
- E-85 105 Octane flex fuel

The gasoline at our locations is Certified **"TOP TIER"** see flyer

- #2 Clear ULSD diesel --in the winter we add a pour depressant for normal winter applications
- Premium Clear ULSD diesel (Roadmaster) in the Summer months that gives you 4.5 5 added power that adds dollars to your bottom line
- #1 Clear ULSD diesel in the winter to blend as needed for the colder weather .
- Ruby Premium dyed diesel(Fieldmaster) for off road applications -- in the winter we add a pour depressant for normal winter applications

The Plaza has large open bays for the larger vehicles to enter and fuel and exit smoothly.

Thanks you for the opportunity to bid your fuel supplies.

Sincerely,



Tammie Winters  
Energy Coordinator  
Panhandle Cooperative Association  
308-632-5301