



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Art Vela, Public Works Director

**MEETING DATE:** July 9, 2024

**SUBJECT:** Consideration of Resolution 2024-124, Awarding a Contract with Pinnacle Petroleum Inc. for Unleaded and Diesel Bulk Fuel Services in the Amount of \$500,000

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### **RECOMMENDATION:**

Adopt Resolution 2024-124.

### **BACKGROUND:**

The City of Banning's fleet consists of over 200 light, medium and heavy duty vehicles and equipment that are fueled at the City's corporate yard. The City's fleet operates on unleaded, diesel and compressed natural gas. In 2023 the City used 107,056 gallons of unleaded fuel and 11,694 gallons of diesel fuel.

Fuel purchases are exempted from the City's standard purchasing requirements, but in order to insure the City is getting the best value for fuel City staff advertised an invitation to bid (IFB-24-067: UNLEADED & DIESEL BULK FUEL SERVICES) on May 8, 2024. As a result the City received 3 bids. The lowest bid was submitted by Pinnacle Petroleum Inc.

As a result, staff recommends the award of a contract with Pinnacle Petroleum Inc. in the amount of \$500,000 per year for a five (5) year period beginning Fiscal Year 2024/2025 through Fiscal Year 2029/2030 for unleaded and diesel bulk fuel services.

### **JUSTIFICATION:**

Pinnacle Petroleum Inc. submitted the lowest bid to IFB-24-067: UNLEADED & DIESEL BULK FUEL SERVICES.

### **FISCAL IMPACT:**

The contract will be funded by the Fleet Fund, Account No. 702-3800-480.36-11. The Fleet Fund is an interservice fund funded by all departments that utilize the Fleet Division's services.

### **ALTERNATIVES:**

Do not approve staff recommendation and/or provide alternative direction.

### **ATTACHMENTS:**

1. [Resolution 2024-124, Pinnacle Petroleum Bulk Fuel.docx](#)
2. [CSA - Pinnacle Fuel.docx](#)