



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

21e

2. Council Meeting Date:

February 26, 2015

TO: MAYOR & COUNCIL

3. Date Prepared: February 10, 2015

THROUGH: CITY MANAGER

4. Requesting Department: Fire Health & Medical

5. SUBJECT: Fleet Fuel Card appropriation

6. RECOMMENDATION: Recommend City Council approve the use of the State of Arizona contract for the purchase of fleet fuel cards with US Bank/Voyager Fleet Card Services in an amount not to exceed \$160,000 per year for a total of \$640,000 for a term ending December 31, 2018.

7. HISTORICAL BACKGROUND/DISCUSSION: The primary use of the Voyager Fleet Fuel Card is to fuel Police and Motor Pool vehicles. Police motorcycles require premium grade fuel, which is not provided by other contracted vendors. Police Detective and Motor Pool vehicle operators frequently require fueling outside Chandler city limits. The Voyager Card provides a way to purchase fuel at most retail gas stations that accept credit cards. Voyager forwards a consolidated monthly invoice, which identifies the City employee authorizing the purchase, the retailer's location as well as the purchase date, time, gallons and dollar amount. Voyager's accounting is compatible with the City's financial reporting system. The primary advantage of the US Bank/Voyager Fleet Card Services is in the billing. Purchase amounts are forwarded minus Federal Excise Tax, from which the City is exempt. This eliminates the need to file a quarterly tax return to recover the Federal Excise Tax that is included in the pump price. The requested amount is based on an estimated consumption of 40,000 gallons per year.

8. EVALUATION PROCESS: The requested service was awarded by Western States Contracting Alliance (WSCA) in January of 2014 and adopted by the State of Arizona Procurement Office in October of 2014. The contract was awarded for a term ending December 31, 2018 and has an option to extend for an additional two years.

A Purchase Order shall serve as a contract for this purchase.

9. FINANCIAL IMPLICATIONS: Funds for the requested contract will come from General Fund, Fuel Inventory (101.0000.1510) and are charged back to the using department.

10. PROPOSED MOTION: Move to approve use of the State of Arizona contract for the purchase of fleet fuel cards with US Bank/Voyager Fleet Card Services in an amount not to exceed \$160,000 per year for a total of \$640,000 for a term ending December 31, 2018.

APPROVALS

11. Requesting Department

James Johnson

James Johnson, Fleet Manager

12. Department Head

Jeff Clark

Jeff Clark, Fire Chief

13. Procurement Officer.

Mike Mandt

Mike Mandt, CPPB

14. City Manager

Rich Dlugas

Rich Dlugas