



# Agenda Item

## City Council

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**Item #:** 3.26.

**7/22/2025**

**File #:** 25-0380

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**TO:** Honorable Mayor and Members of the City Council

**THRU:** Tom Kisela, City Manager

**FROM:** Christopher Cash, Public Works Director

### **1. SUBJECT**

Authorize purchase and delivery of diesel fuel and gasoline from Southern Counties Oil Co., a California Limited Partnership dba SC Fuels.

### **2. SUMMARY**

Purchase and delivery of diesel and gasoline fuel for the City fleet.

### **3. RECOMMENDED ACTION**

Approve the purchase agreement with Southern Counties Oil Co. a California Limited Partnership dba SC Fuels, in the amount not to exceed \$1,400,000 for the purchase and delivery of diesel and gasoline fuel using a cooperative purchasing agreement; and authorize the Mayor and the City Clerk to execute on behalf of the City.

### **4. FISCAL IMPACT**

The total expenditure for this agreement is \$1,400,000 and will be funded through (710) Fleet Maintenance Fund.

### **5. STRATEGIC PLAN GOALS**

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability

Goal 5: Improve Infrastructure, Mobility, and Technology

### **6. DISCUSSION AND BACKGROUND**

SC Fuels offers a cooperative purchasing contract to acquire diesel and unleaded fuel.

The City of Orange utilized a cooperative purchase agreement to secure vehicle fuel pricing for an agreement with SC Fuels at the July 12, 2022, City Council Meeting. SC Fuels will honor the same pricing structure that was established through the 2022 agreement. This pricing relies on the Oilfield Publication Information Service (OPIS), which fluctuates daily because fuel is a publicly traded commodity. The City's annual average fuel consumption is approximately 250,000 gallons, including diesel and gasoline, with an average price of \$4.80 per gallon.

The agreement is for 12 months, starting July 1, 2025, and expiring June 30, 2026. The not-to-exceed amount of the contract will be \$1,400,000 for Fiscal Year 2026, which includes a 20% contingency for future price escalation.

SC Fuels supplies diesel and gasoline fuel to the City, and staff have determined they can continue

meeting its needs. Staff will continue monitoring the cost to ensure the City gets the best value available.

## **7. ATTACHMENTS**

- Purchase Agreement with SC Fuels