



City of Galveston

FLEET, MASS TRANSIT & SPECIAL EVENTS STAFF REPORT

Date	February 18, 2025
To:	City Manager Mayor and City Council Members
From:	David Smith, Executive Director Fleet, Mass Transit and Special Events
Project location:	N/A
Project:	Sun Coast Resources - Co-op Fuel Supply

Request: Consider allowing the purchasing of bulk fuel by the Fleet Facility utilizing the TASB Energy Cooperative Purchasing contract with Sun Coast Resources and authorize the City Managers staff to execute the agreement upon final approval by the City Attorney.

Prior Council Action

No prior actions on this item.

Background

- A. The City of Galveston is a member of the TASB Energy Cooperative Purchasing Program, which allows the city to utilize contracts that have been competitively bid.
- B. The contracts were solicited and awarded by TASB and this allows the city to utilize agreements that have been competitively procured in compliance with state purchasing requirements.
- C. Texas Government Code Chapter 791 authorizes local governments to contract with each other and any agencies of the State of Texas.
- D. The objective of a cooperative purchasing program is to provide a mechanism for local governments to pool their collective purchasing power. Purchasing cooperatives save money in two ways: the price of the product and/or in the administrative cost savings from advertising for a formal solicitation.
- E. The City of Galveston supplies fuel for its own fleet, and in addition, to outside organizations including the County, Sheriff's Department, Health District (EMS), Port of Galveston, Parks Board, Bayou Vista, Jamaica Beach, and the Navigation District.





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- F. The City of Galveston currently has a contract for its wholesale bulk fuel supply with Petroleum Traders Corporation who subcontracts the deliveries utilizing Houston based fuel transport (tanker) companies. At certain periods of time, Petroleum Traders has not been able to deliver fuel, as well as our backup fuel suppliers who work under the same business model.
- G. Petroleum Traders is one of the largest wholesale fueling companies in the United States and does offer wholesale fuel at very low prices and was awarded the contract through the city's bidding process.
- H. Sun Coast Resources is a Houston based fuel supplier that has their own fuel supply, fleet of fuel transport tankers and drivers that are available 24/7 to provide emergency competitively bid fueling during troubled time periods such as natural disasters, shortages of products, shortage of tankers or drivers, and/or other various situations.

Fiscal Impact Report

Requested by	David Smith Executive Director
Funding Source	Fuel Accounts
Cost	\$15,000 plus (not to exceed budgeted amounts)
Savings Estimation	Will supply the city with emergency competitively bid fuel during troubled time periods.

Alternatives

- A. Approve the recommendation.
 - 1. Cost - estimated to exceed \$15,000 annually. (City Charter)
 - 2. Timing - agreement is needed as soon as possible.
 - 3. Departmental Improvements - will provide a backup fuel plan during troubled time periods.
- B. Do not approve the recommendation.





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1. Cost - N/A
2. Timing - N/A
3. Departmental Improvements - none

Staff Recommendation

Concur in *Alternative A* and approve the purchasing of bulk fuel by the Fleet Facility utilizing the TABS Energy Cooperative Purchasing contract with Sun Coast Resources and authorize the City Managers staff to execute the agreement upon final approval by the City Attorney.



TASB Energy Cooperative Fuel Program

Enables Cooperative members to acquire unleaded gasoline, diesel, or propane through spot purchases or the fixed-rate fuel program (unleaded gasoline and diesel only).

Save money on the gasoline, diesel, and propane you use every day with TASB Energy Cooperative's fuel program. Members of the fuel program have three purchasing options:

1. Make spot purchases.
 - Rack-rate unleaded gasoline or diesel
 - OPIS-rate unleaded gasoline or diesel
 - Index rate propane
2. Participate in the fixed-rate fuel program.
 - Lock in fuel rates (unleaded gasoline and/or diesel) at a fixed rate for a specified period under a fuel purchase agreement with an awarded vendor of the Cooperative.
3. Combine both options.

Purchasing Power

The TASB Energy Cooperative offers fuel options based on your preferences, needs, and value. By combining purchasing power, members may receive bulk rates based on current market prices for fuel. Each year members purchase more than 15 million gallons of fuel through the Cooperative.

Stability and Budget Certainty

Under the Energy Cooperative's fixed-price fuel program, members can lock unleaded gasoline and diesel rates for a specified time under a purchase agreement with awarded vendors. Purchasing

fuel at a fixed rate decreases the effects of market volatility and assists with more accurate budgeting.

Fuel Pooling

The TASB Energy Cooperative's annual spring fuel pool is an opportunity to leverage our strength in numbers and secure the best price available for fuel purchases. As one of the biggest aggregators of fuel in Texas, the TASB Energy Cooperative offers our members an opportunity to take advantage of fixed-rate pricing that has been competitively bid. The volume of aggregation allows our vendors the ability to find the best price available for our participants. Gain peace of mind knowing that we award vendor contracts through a transparent and competitive procurement process to help you stay compliant with Texas local and state procurement requirements.

Members of TASB Energy Cooperative's fuel and electricity programs are eligible to participate. Even if you aren't enrolled in the fuel program currently, you're still eligible to participate as long as you have a signed Interlocal Participation Agreement (IPA) on file with us. Since the TASB Energy Cooperative is board-governed, each year the fuel pool must be approved by the board to move forward and execute the pool. To learn more about the fuel pool and if participation may benefit your organization, watch our collaborative webinar series, [Insights on Fuel Pooling](#). For questions, contact Adrian Porras at adrian.porras@tasb.org or 512-293-5086.

Awarded Fuel Providers

TASB Energy Cooperative has several awarded fuel vendors to provide members with competitive pricing and value on their fuel purchases.

Propane

- [AmeriGas Propane, L.P.](#)
- [Ferrell Gas](#)

Fuel: Fixed, Rack and OPIS

- [Colonial Oil Industries, Inc.](#)
- [Mansfield Energy](#)

Fuel: OPIS Only

- [Sun Coast Resources, Inc](#)

[Have Questions? Contact Us](#)

Membership Information

TASB Active Membership

Active Members consist of the boards of Texas public school districts and education service centers. They have voting privileges in the Association and may participate in all of TASB's services.

TASB Energy Cooperative Membership

Lock in budget certainty with competitive fixed rates on electricity, transportation fuels, and other types of commodities through TASB Energy Cooperative.

TASB Associate Membership

Associate Members consist of shared service arrangements, community colleges, and central appraisal districts.

TASB Affiliate Membership

Affiliate Members are open-enrollment and college/university charter schools in Texas.

Contact Information

TASB Energy Cooperative

energy@tasb.org

[800-580-8272 x2024](tel:800-580-8272)