



Agenda Item Summary

File #: RES 18-953, **Version:** 1

Submitted By

John P. Wielebnicki, Public Works Director

Reviewed By

LKS

Agenda Item Title

A Resolution Approving an Intergovernmental Agreement between the Village of Oak Park and Oak Park Township for the Purchase of Fuel at the Village's Fueling Facility and Authorizing its Execution

Overview

The Village maintains a fueling facility for gasoline and diesel at the Public Works Center. The Township is requesting to be able to take advantage of the Villages bulk purchasing of fuel and thus realize a savings in fuel purchasing. The attached Intergovernmental Agreement (IGA) would allow this to take place.

Staff Recommendation

Approve the Resolution.

Fiscal Impact

Per the terms of the IGA, the Township would reimburse the Village monthly for fuel used at the market rate the Village pays per gallon, plus applicable taxes. In addition, the Township will pay the Village \$0.10 (ten cents) per gallon for the Village's administrative and maintenance costs for supplying fuel. The Township would also be responsible for paying their share for capital improvements required for the fueling facility, equipment or systems.

Background

The Village maintains a fueling facility at the Public Works Center. Fuel includes gasoline and diesel. Several Oak Park taxing bodies currently utilize the Village's fuel facility to take advantage of the combined purchasing power for this commodity.

The Village purchases fuel monthly and in some cases twice a month. Since the Village is a taxing body, it is not required to pay all taxes for fuel. The Village does however pay the State Underground Storage tank tax and the Environmental Impact Fees. Thus, the Village is able to pay a lower price per gallon than purchasing the fuel retail.

Currently, the Oak Park Township does not utilize the Village's fueling system. They purchase their fuel retail. The Township has requested to purchase fuel from the Village to take advantage of a lower fuel price.

Since the Township has not purchased fuel from the Village before, the draft IGA has been prepared. The

Township has notified that they agreed to the terms of the IGA.

Should this IGA be approved, IGA's will be prepared for the other taxing bodies for these services as well as for maintenance of equipment.

Highlights of the IGA include each user paying the Village's monthly rate per gallon of fuel purchased, a small administrative and maintenance fee per gallon (\$0.10), paying their share for necessary capital improvements to the fueling facility and being provided the necessary fueling access devices.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

This is the first IGA for fueling.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

There are other taxing bodies that fuel at the Village's fueling facility. IGA's for those users will be prepared and brought forward to the Village Board for consideration.

Intergovernmental Cooperation Opportunities

This is an excellent example of local taxing bodies utilizing their combined purchasing power to reduce overall costs.

Performance Management (MAP) Alignment

This work is in alignment with the Governance Priority established for the Public Works Department for Maintenance and Service Programs.