



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Approving an Intergovernmental Agreement between the Village of Oak Park and the Oak Park Public Library 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 Oak Park Public Library is agreeable to continue to take advantage of the Villages bulk purchasing of fuel and thus realize a savings in fuel purchasing. The attached Intergovernmental Agreement (IGA) would formalize this service.

Recommendation

Approve the Resolution

Staff Recommendation

Approve the Resolution.

Fiscal Impact

Per the terms of the IGA, the Library would reimburse the Village monthly for fuel used at the market rate the Village pays per gallon, plus applicable taxes. In addition, the Library will pay the Village \$0.21 (twenty one cents) per gallon for the Village's administrative and maintenance costs for supplying fuel.

As an example, from fuel costs in March 2019, users would pay the following price per gallon:

- Village fuel price \$1.2594 per gallon
- Applicable taxes \$0.2020 per gallon
- Freight \$0.0305 per gallon
- Total price per gallon: \$1.4919 plus \$0.21 admin/maint. = \$1.7019 per gallon

The Chicago average retail price for that day was \$2.25 per gallon a savings of nearly \$0.55 per gallon.

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 purchase.

There is currently no IGA with the Library for fueling at the Public Works Center. This IGA would memorialize the terms of an agreement.

The Village purchases fuel monthly. Since the Village is a taxing body, it is not required to pay all taxes for fuel. The Village does however pay the Underground Storage Tank taxes, Illinois Excise tax and the Environmental Impact Fees. Thus, the Village is able to pay a lower price per gallon than purchasing the fuel retail.

Highlights of the IGA include each user paying the Village's monthly rate per gallon of fuel purchased, including applicable taxes and freight plus an administrative and maintenance fee of \$0.21 (twenty one cents) per gallon. Included in the administrative and maintenance fee (price per gallon) is the administrative cost for processing reported usage, invoicing and record keeping, annual maintenance of the fueling system and each users share for projected capital improvements to manage the system.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

This is the first IGA with the Library 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.