



Council Agenda Item _____

MEETING DATE: , 12/15/2025

SUBJECT/TITLE: RESOLUTION #25-0997R, A RESOLUTION AUTHORIZING THE ANNUAL CONTRACT TO INTER-CITY CO.OIL FOR DELIVERED BULK DIESEL FOR AN ANNUAL ESTIMATED AMOUNT NOT TO EXCEED \$156,600.00.

SUBMITTED BY: William Bourassa, Fleet Services Division

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION:

BACKGROUND: This resolution awards a contract to Inter-City Oil Co for delivered diesel fuel in 2026. This is the fifth year of the contract period which will run from January 1, 2026 through December 31, 2026, there are no remaining renewals on this contract.

The final fuel price is based on a fixed constant of \$.40 cents per gallon over the Duluth daily refinery rack rate average. This is the same rate as the current price. The estimated contract cost is based on historical usage and rack rates. This is an annual budgeted expense.

BUDGET/FISCAL IMPACT: Proper city officials are authorized to contract for the purchase of fuel from Inter-City Oil Co for an annual estimated amount not to exceed \$156,600.00 payable from fund 660-015-5212 (fleet services; Public Administration; motor fuels)

OPTIONS: Approve to continue supporting the purchase of motor fuels with a negotiated rate for the use in City owned and leased vehicles and equipment.

NECESSARY ACTION: Approve the contract for the purchase of motor fuels from Inter-City Oil Co

ATTACHMENTS: Exhibit A – Cover Memo