



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: JEFF GOBLE, PUBLIC WORKS DIRECTOR
RE: APPROVAL OF FUEL SALES AGREEMENT FORM
DATE: JULY 25, 2023

Summary and Background: Over the past years, the Town has been providing fueling facilities for both Summit Fire & EMS and Frisco Sanitation District vehicles and equipment without any formal agreement in place. Over the past several months the Town has removed the underground fuel storage tanks and has rebuilt the entire fueling system at Public Works. Now that this system is operational, staff determined that it would be in the best interest of all parties to create and enter into a formal agreement with any outside governmental entity that desires to use the Town's fueling facility.

Analysis: The proposed agreement outlines the requirements the outside entities must adhere to in order to use the Town's fueling facilities to include, but not limited to;

1. Purchaser must hold the Town harmless for any incident or issue that may arise while using the fueling facility or from the fuel itself.
2. Purchaser will be limited to no more than 150 gallons of fuel per transaction.
3. Purchaser shall pay the same per gallon charge as the Town paid for the fuel, plus a \$0.10 per gallon administrative fee. Previously, this fee has been a flat fee of \$5.00 per quarter. Fuel will continue to be invoiced quarterly.
4. Purchaser will pay, at same cost to the Town, for any and all "chip keys" requested by the purchaser.
5. At the end of each calendar year, Purchaser will be invoiced for the Town's operating costs on a pro-rata basis based on the total gallons fuel pumped by the purchaser compared to the Town's total use as well as other parties the Town sells fuel to.

Financial Impact: This agreement does not incur any additional expenses for the Town above and beyond the cost of fuel the Town purchases to fill the tanks. This agreement will be a net income to the Town's General Fund. This income is currently not known but is estimated to be \$10,000 – \$20,000 per year depending on who will participate and how much fuel they use annually.

Alignment with Strategic Plan: This agreement aligns with the Quality Core Services section Strategic plan by ensuring all vehicles that provide core services to the Town can be efficiently and conveniently fueled.

Environmental Sustainability: This agreement will assist the Town in recouping the cost of removing the old underground storage tanks that were an environmental hazard.

Staff Recommendation: Staff recommends that Council approve this form of the Fuel Sales Agreement and authorize the Mayor to sign the agreement. Once the agreement is signed copies will be sent to the interested parties for their signatures.

Approved By:

Tom Fisher, Town Manager
Leslie Edwards, Finance Director
Thad Renaud, Town Attorney

Attachments:

Attachment 1 – Fuel Sales Agreement – Final Draft

Attachment 2 – Photo of new fueling system.