



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Public Works

To: City Council

From: City Manager & Staff

Council Meeting Date: July 21, 2025

Re: Authorizing an agreement for fuel with MFA Petroleum Company

## Executive Summary

Staff has prepared for Council consideration a resolution authorizing the City Manager to execute an agreement with MFA Petroleum Company. The contract assists in a transition from bulk fuel storage (also provided by MFA Petroleum Company) to fuel card access for City vehicles at "Break Time" and Petro-24 stations. This shift reduces bulk storage at the Grissum Building (1313 Lakeview Avenue), frees up site space currently reserved for vehicle turning movements, and reduces vehicle travel time for fueling.

## Discussion

The City currently stores bulk fuel at the Grissum Building (and other locations). Centralized fueling like this often increases travel time for vehicles. The proposed contract with MFA Petroleum Company allows City vehicles to use fuel cards at "Break Time" and Petro-24 stations across Columbia, leveraging MFA's network for convenient access. Drivers enter a City identification number and odometer reading per transaction, ensuring accurate tracking for Finance and Fleet Division management staff. This step will also help facilitate future Grissum Building Renovations.

The contract sets a minimum purchase of 300,000 gallons annually at \$0.008 per gallon above the OPIS (Oil Price Information Services) Net Average price, plus \$0.045 per gallon for freight and taxes. The contract ensures competitive pricing that is tied to the OPIS Net Average, a leading price-reporting agency, and represents the average regional price for gasoline and diesel. This ensures cost control. Fuel consumption indicates that the City will easily achieve the annual amount to be purchased. Staff is currently finalizing a Fuel Card Policy that will work in conjunction with this contract. Implementation includes distributing cards and training staff, with monthly billing to the City by department/division.

## Fiscal Impact

**Short-Term Impact:** The contract sets a minimum purchase of 300,000 gallons annually at \$0.008 per gallon above the OPIS Net Average price, plus \$0.045 per gallon freight and taxes. Minimal impact as any set up costs should be offset by reduced storage maintenance.

**Long-Term Impact:** Minimal. The program will result in reduced storage maintenance costs and reduced travel time for fuel purchases. Both which should result in savings long term.



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## Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Organizational Excellence, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Inter-Governmental Cooperation, Secondary Impact: Land Use & Growth Management, Tertiary Impact: Environmental Management

## Legislative History

Date	Action
N/A	N/A

## Suggested Council Action

Approve the resolution authorizing the City Manager to execute the contract with MFA Petroleum Company