

ITEM #:	32
DATE:	07-14-26
DEPT:	Transit

COUNCIL ACTION FORM

SUBJECT: RESOLUTION APPROVING AWARD OF CONTRACT FOR FY 2027 FUEL PURCHASES FOR CYRIDE AND FLEET SERVICES

BACKGROUND:

Since 2015, CyRide has been purchasing fuel using a market rate plus a markup or deduction model under twelve-month contracts. This approach simplifies administrative tasks and has allowed CyRide to take advantage of competitive pricing.

To increase the potential for more favorable pricing, Fleet Services' annual purchases of 100% biodiesel (B100) were added to CyRide's fuel contract. Under this contract, transportation tanker loads of standard diesel and biodiesel blends would be delivered to CyRide's facility, while B100 would be delivered to Fleet Services' facility.

Fuel pricing is based on the published Iowa DOT rack rate, which is updated daily. Bidders are required to submit bids for #1 and #2 ULSD diesel that add or subtract a fixed amount from the published Iowa DOT fuel prices on the day the order is delivered. The biodiesel portion of the delivered fuel is priced separately and is bid as a percentage above or below the cost of #2 diesel. This results in more competitive pricing and better alignment with market conditions.

On June 17, 2026, CyRide and Fleet Services, with the assistance of the Purchasing Division, released an Invitation to Bid (No. 2026-156) for the purchase of diesel fuel from July 15, 2026, through June 30, 2027. Bids were due July 1, 2026, and two responses were received. Both bidders were determined to be responsive. The base bids submitted are summarized below:

Bid No. 2026-156 (7/15/26-6/30/27)	#1 Dyed ULSD Diesel	#2 Dyed ULSD Diesel	Blended Biodiesel 5-20%	100% Biodiesel	Cold Flow Improver
Agriland FS Inc.	\$0.0000	\$0.0149	1%	1%	\$0.0100
Harms Oil Company	\$0.0624	\$0.0524	-1%	36%	\$0.0122

A bid analysis was performed using the anticipated fuel usage of CyRide and Fleet Services to determine the lowest overall bidder. Based on this analysis, Agriland FS Inc., of Winterset, Iowa, was determined to be the overall lowest responsive bidder. A copy of the bid tabulation and bid analysis is attached for reference.

Unlike prior years, staff is recommending approval of the contract without a not-to-

exceed amount. Fuel prices continue to fluctuate significantly, and the competitive procurement resulted in a very favorable bid from Agriland FS Inc. Establishing a fixed dollar limit could unnecessarily restrict the use of this competitively awarded contract if fuel prices or consumption exceed current projections.

The Transit Board of Trustees approved award of contract at their meeting on July 9, 2026.

ALTERNATIVES:

1. Approve award of contract to Agriland FS Inc. of Winterset, Iowa, for the delivery of diesel, biodiesel, and biodiesel blended fuel purchases from July 15, 2026, until June 30, 2027.
2. Reject all bids and direct staff to re-issue the fuel bid.

CITY MANAGER'S RECOMMENDED ACTION:

The bid reflects the lowest price for CyRide and Fleet Services to purchase fuel for FY 2026/27, supports administrative efficiency, and ensures a reliable fuel supply for both operations. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.

ATTACHMENT(S):

[Fuel Bid Evaluation Calculation - IFB 2026-156.pdf](#)