



Board Action Required X

No Action Required

To: Coppell ISD Board of Trustees
From: Denise Sullivan
Date: July 28, 2008
cc: Dr. Jeff Turner, Sid Grant, Kelly Penny

Re: Discuss and Consider Approval for Purchase of Fuel Tanks

With the rising cost of fuel being purchased by the Coppell ISD Maintenance Department and Dallas County Schools' bus fleet, there has been great interest in being able to save money by purchasing fuel in bulk. The Business Office began researching specifications for installation of an above-ground fuel tank to be located at the CISD Service Center.

Discussions and dialogue began taking place with the CISD Maintenance Department, Dallas County representatives, the City of Coppell Fire Marshal, and an approved vendor to ensure that all safety codes and city ordinances would be met with the installation of the fuel tank. The fuel tank specifications were submitted to the Fire Marshal for his review.

In order to help bear the burden of cost of the fuel tank, Dallas County was contacted to see if their Board would entertain the idea of a joint venture of splitting the project cost with Coppell ISD. The District has a quoted price of \$71,418.00 from an approved vendor through a Board-approved Purchasing Cooperative, The Interlocal Purchasing System (TIPS). The 12,000 gallon divided above-ground fuel storage tank would consist of a 3:1 ratio split tank of 9,000 gallons for diesel and 3,000 gallons for unleaded fuel. Dallas County has agreed to fund \$35,709.00, which is half of the total project cost. The price includes 6 inches of concrete, a control system to track usage, delivery, installation, labor, crane rental, materials, and all necessary permits. The cost does not include site or electrical preparation.

For control measures, the District intends to install a security camera to oversee and ensure usage appropriateness. With the control system, reports can be generated for tracking purposes to further aid with control.

The District's portion is expected to be entirely funded through current year unexpended budgetary funds for property and casualty insurance. If the District is not able to complete installation of the fuel tanks by August 31, 2008, the Business Office must roll the cost of the district's portion into fund balance and complete a budget amendment after September 1, 2008.

On average, the Coppell ISD Maintenance Department uses 20,821 gallons of unleaded and diesel fuel per year for their fleet, calculated at an average savings of \$.6796 per gallon for unleaded and \$.8471 per gallon for diesel. This equates to an estimated annual savings of \$14,392.00. Given our expenditure of \$35,709, we would expect for this project to pay for itself in approximately 30 months.

Recommendation: **That the Coppell ISD Board of Trustees approves the purchase of the 12,000 gallon divided above-ground fuel tank from Mico Industrial Corporation for the district's portion cost of \$35,709 at the July 28, 2008 Board meeting.**