



The demand and dependency on foreign oil and the volatile cost of motor fuel has dramatically increased the cost of gasoline and diesel fuel throughout the years, which has increased to a record high of \$3.30 per gallon, therefore Fleet Management and Transit Services received the approval by the City of Inglewood City Council on July 31, 2007 to enter into agreement with Mutual Liquid Propane for a five-year contract agreement for the purchase of propane and a lease to install a propane fueling station for \$1.00 per-year, which will consist of the following:

- Installation of concrete slab and 1,200 gallon above ground propane tank.
- Digital fueling dispenser that will interface with our existing fuel management system.
- Sale price plus 25% which is currently at one dollar and twenty seven cents (\$1.27) per gallon.



Through this agreement the City will be responsible for the installation of the electrical for the propane station. Fleet Management will hire a contractor to perform the electrical system, however the cost of the electrical installation will be reimbursed from the (Propane Energy Resources Council) PERC grant, therefore the cost of the station will be installed at no cost to the City and leaving a balance of \$253,000 in available grant funds, which will allow the City to replace old equipment that would otherwise require 100 percent of general funds to purchase of future vehicles.

The estimated savings of operating City vehicles on propane vs. its rival gasoline or diesel competitor will save the City \$30,000 per-year and additional funds will be saved as the City continues to deploy more propane vehicles. Propane vehicles operate cleaner than gasoline and diesel vehicles, therefore additional savings apply because maintenance cost are reduces and propane vehicles also have a greater reduction of emission, which assist to clean the environment within the community.