RESOLUTION AUTHORIZING CHAIR TO SIGN AGREEMENT WITH NEBRASKA IOWA SUPPLY COMPANY, INC. FOR PROVISION OF DIESEL FUEL

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6) the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103 the powers of the County as a body are exercised by the County Board; and,

WHEREAS, the County of Sarpy desires to enter into an agreement, a copy of which is attached, with Nebraska Iowa Supply Company, Inc., for the provision of fixed cost diesel fuel for Fleet and Public Works departments: and,

WHEREAS, entering into the agreement for the provision of fixed cost diesel with Nebraska Iowa Supply Company, Inc. is in the best interests of the citizens of Sarpy County.

NOW, THEREFORE, BE IT RESOLVED BY THE SARPY COUNTY BOARD OF COMMISSIONERS THAT this Board hereby approves and authorizes the Board Chairperson and County Clerk to sign the attached agreement with Nebraska Iowa Supply Company, Inc. and any other related documents the same being approved by the Board.

The above Resolution was approved by a vote of the Sarpy County Board of Commissioners at a public meeting duly held in accordance with the applicable law on the 22nd day of March, 2016.

Attest

Sarpy County Board Chairman

County Clerk
MEMO

To: Sarpy County Board of Commissioners
From: Brian Hanson
Re: Fuel Forward Contract

I have worked with Linda Swanson from Fleet Services and Rich Weber from Public Works to explore the possibility of locking in the price of fuel used by the Public Works Department. Linda has obtained quotes from three vendors (fuel purchases are excluded from competitive bidding under the County Purchasing Act.) The attached spreadsheet is current as of March 16, 2016 and shows that Nebraska-Iowa Supply has the lowest price. The price will have to be re-verified on March 22, 2016.

We intend to lock in the price for clear diesel only. E-85 is not usually locked in by suppliers because of price volatility and the Public Works Department does not use a real large quantity of regular unleaded gasoline.

Under terms of the forward contract, the County may be penalized for fuel contracted that is not ordered and delivered to our site. So a conservative approach has been taken in determining the number of gallons to be locked in. In a typical six month period, the Public Works Department uses approximately around 46,000 gallons of clear diesel. It has been recommended to lock in 25,000 gallons for a six month period.

The attached resolution is suggested as a possible way to save money, but it is not guaranteed. Please let me know if you have any questions.

March 16, 2016

cc: Mark Wayne
    Deb Houghtaling
    Scott Bovick
    Linda Swanson
    Rich Weber
Nebraska Iowa Supply Company, Inc.
FORWARD CONTRACT

Nebraska Iowa Supply Company, Inc. Contract

Date: March 22, 2016 Buyer: Sarpy County Public Works Department

Seller: Nebraska Iowa Supply Company, Inc.
3441 So. 66th street
Omaha, NE 68106

Product: Clear Diesel Phone: 402 537 6980

Quantity: 25,000 Gallons

Fob: Omaha, Nebraska

E-Mail: mclippincott@neiasupply.com

Forward Fixed Price Detail: $1.802 per gal.

| Product Price | $1.802 |
| Total Taxes   | $0.211 |
| Freight/Surcharge | $0.211 |
| Net Price     | $1.802 |

Delivery Period: 6 months

Measurement: Meter Tickets (Gross Gallons)

Credit Terms: Sarpy to pay within thirty (30) days after receipt of invoice and satisfactory delivery

Nebraska Iowa Supply Company, Inc. Sales Representative: ___________

Buyer Representative: Linda Swanson

Credit: Credit shall be approved and within the established line by Nebraska Iowa Supply Company, Inc.

Deficiency Payments: If, during any six month of the delivery period, the Buyer does not take delivery of the quantity above, Nebraska Iowa Supply Company, Inc. can sell the volume not lifted, in the open market 5 days following the six month term. If the open market price (average of Nebraska Iowa Supply Company, Inc. posting of the above contract terminal) is less than the fixed forward price above, the Buyer will pay Nebraska Iowa Supply Company, Inc. the amount equal to the volume not lifted times the difference between the open market price and the fixed forward price.

Remarks:
Please fax signed contract back to ___________

Confirmation Acceptance:

By: [Signature] Title: Chairman
# Clear Diesel Fuel Contract Pricing

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Clear Diesel Contract Price APR-SEP*</th>
<th>Tankwagon Price*</th>
<th>Terms of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central States</td>
<td>$1.8090</td>
<td>$1.6590</td>
<td>Monthly/Semi-Annual/Yearly</td>
</tr>
<tr>
<td>Nebraska-Iowa Supply</td>
<td>$1.7810</td>
<td>$1.5770</td>
<td>Semi-Annual/Yearly</td>
</tr>
<tr>
<td>Sapp Bros. Inc.</td>
<td>$1.9279</td>
<td>$1.7190</td>
<td>Semi-Annual/Yearly</td>
</tr>
</tbody>
</table>

*Prices are subject to change with market fluctuations until contract signed*