



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council **Item No. _____**

FROM: City Manager

SUBJECT: A Resolution of the City Council of the City of Commerce, California, Approving the Agreement with U.S Bank for the Voyager Fuel Card Program utilizing the State of California Sourcewell Cooperative Purchasing Contract Number 030625-USB

MEETING DATE: May 26, 2026

RECOMMENDATION:

- 1) Approve the Agreement with U.S. Bank based on a competitively awarded Sourcewell Cooperative Contract # 030625-USB for fleet fuel credit card purchases as needed in the maximum amount of \$1,050,000 for the contract term, May 26, 2026, through June 27, 2029.
- 2) Approve the option to renew the Sourcewell U.S. Bank contract for additional one-year terms that align with the term of the Sourcewell Cooperative Contract #030625-USB, in the maximum amount of \$350,000 annually.
- 3) Authorize the Mayor, or designee, to sign all required documents.

BACKGROUND:

The City of Commerce requires an Agreement for fleet fuel credit card purchases. Each vehicle in the City's fleet is assigned a credit card authorized for fuel purchases only. The transportation department administers the cards staff use to fuel City vehicles. City staff may purchase fuel at most service stations nationwide with the card, and U.S. Bank consolidates all fuel charges into a single monthly statement, making it easier to reconcile transactions by department, vehicle, and employee. This process makes refueling easier, with strong accountability and security measures in place.

ANALYSIS:

The Department of General Services, Office of Fleet and Asset Management, administers the state fleet card contract and program. The state fleet card contract and program enable the State of California and local government agencies to pay for fuel for City or government vehicles.

Sourcewell has awarded a new competitively sourced contract to U.S Bank (Contract #030625-USB) for fleet payment solutions with related services (Master Agreement). The Master Agreement is effective September 8, 2025, through June 27, 2029, with the option to renew for three additional one-year terms. The City of Commerce's contract with U.S. Bank will utilize the Sourcewell Master Agreement for the duration of its term, including any optional renewals exercised.

The City's Purchasing Policy permits contracting with a vendor awarded an agreement by another agency through a competitive process, without further competitive bidding by the City. The Sourcewell Master Agreement meets this criterion.

ALTERNATIVES:

1. Approve staff recommendation.
2. Reject staff recommendation.
3. Provide staff with further direction.

FISCAL IMPACT:

Funding for the City's fuel credit card program is included in the current fiscal year budget and is proposed in the FY 2026-27 and FY 2027-28 budgets within account number 10-6510-62010. The proposed agreement authorizes expenditures in an amount not-to-exceed \$1,050,000 over the initial contract term through June 27,2029, with optional annual renewals thereafter. Sufficient funds are available within the approved budget, and no additional appropriation is required at this time.

RELATIONSHIP TO 2016 STRATEGIC GOALS:

This agenda item relates to the 2016 strategic planning goal of "reviewing and updating services and activities to increase efficiency," as the proposed recommendation outlined in this report helps mitigate the City's fueling costs.

Recommended by: Claude McFerguson, Director of Transportation
Fiscal impact reviewed by: Alvaro Castellon, Director of Finance
Approved as to form by: Noel Tapia, City Attorney
Respectfully submitted: Ernie Hernandez, City Manager

Attachment: Resolution
US Bank Voyager Agreement
Sourcewell Master Agreement