

To: Commissioners Court
From: County Auditor / Purchasing Agent

On February 5, 6, and 7th, Burnet County employees was denied fuel when attempting to use their Fuelman cards. When the Auditor's office inquired as to why access was stopped, Fuelman representatives indicated that there must be a glitch in the system on February 5th and again on February 6th and reactivated Burnet County's account cards.

On February 7th, which was Saturday, Burnet County employees were again denied fuel when using the Fuelman cards. The Fuelman representative indicated that unpaid invoices were the reason and that Burnet County would have until the 12th before being deactivated again. These invoices were for fuel purchased in January, and 14K of the 37K due were for gas purchased between January 12-25th. Payment was sent for the 23K on January 27th and the remaining 14K was authorized and sent on February 10th.

Texas law provides governmental entities thirty (30) days to remit payment after receipt of a proper invoice. Vendor action restricting fuel access prior to expiration of the statutory payment period creates operational risk to emergency response and essential County services.

Annual expenditures with the current fuel card vendor are estimated to exceed \$200,000. Texas Local Government Code Chapter 262 requires competitive procurement for county purchases of goods or services that exceed \$100,000 in a fiscal year unless awarded through a properly authorized cooperative purchasing contract or other statutory exception. Fuel card services constitute a services contract involving transaction processing, network access, reporting, and merchant agreement administration.

Fuel access for law enforcement, emergency management, and other critical departments must remain uninterrupted. The resulting service interruption, and procurement concerns constitute grounds for termination of the agreement in the County's best interest. Approval of this agenda item will authorize the Auditor's office to procure a vendor better able to handle the County's fuel needs. This action is recommended to protect statutory compliance, operational continuity, and public safety.

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Thank you,

Kelley Glaeser
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