



ARIZONA DEPARTMENT OF TRANSPORTATION POLICIES AND PROCEDURES

SUP-6.12 FUEL MANAGEMENT FEES

Effective: December 2, 2024

Supersedes: None

Responsible Office: Equipment Services – Fuel Systems
Management, (602) 712-6526

Last Review: December 2, 2025

Next Review: December 2, 2026

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12.01 Purpose

- A. The purpose of this document is to provide the Arizona Department of Transportation (ADOT) with a written policy, definitions, and a procedure for preparing the Fuel Management Fee.
- B. The purpose of the Fuel Management Fee is to defray the cost of Fuels Management overhead.

12.02 Scope / Applicability

- A. This policy applies to all users of fuel dispensed through the ADOT Equipment Services, Fuel Systems Management System.
- B. This policy also applies to fuel purchased by ADOT employees from retail stations using the State Fleet Fuel Card.
- C. This policy is a supplement to ADOT Policy and Procedure SUP-6.01 Equipment Classification and Incentivized Rate.

12.03 Authority

The Arizona Revised Statutes (ARS) associated with this policy are:

<u>ARS 38-538.02</u>	Use of state motor vehicles; personal vehicle reimbursement, definition
<u>ARS 28-7006</u>	Transportation department equipment fund, definition

12.04 Background

Beginning July 1, 2010, Equipment Services (EQS) fuel customers, including outside agencies, were charged the actual cost of fuels used plus a Fuel Management Fee to defray the cost of the Fuel Systems Management's operating costs and overhead.

12.05 Definitions

ADOT Fueling Depots	ADOT owned and operated fuel sites located statewide.
Environmental	Expenses incurred from advancements in technology and best management practices (BMP's) allowing ADOT to be stewards of the environment. Includes Environmental tank fees, etc.
Fleet Fuel Card (ADOT)	A credit card that can be used to obtain fuel at retail stations for ADOT equipment when all other ADOT fuel resources have been exhausted. The fleet fuel card also allows a \$50.00 limit for emergency road service, i.e., oil or tire repair or other services needed to get the ADOT equipment to an Equipment Services shop. (If the vehicle needs towing services, please refer to the ADOT Fleet Services Customer Handbook.
Fuel Management Budget	<p>The cost to oversee and operate the day to day needs of providing all types of fuel to ADOT and other government agencies including ADOT fuel island and Voyager cards is the Fuel Management Budget.</p> <p>The Fuel Management Budget is broken down into the following categories: Operating Expenses, Environmental, SG&A and Fuel Transactions.</p>
Fuel Management Fee	<p>Is added to each gallon of fuel pumped from an ADOT fuel location or gallon pumped using an issued Voyager card.</p> <p>This value is obtained by means of dividing the total Fuel Management cost from the previous fiscal year by the number of gallons pumped in that same fiscal year.</p> <p>$\text{Fee} = (\text{Fuel Management Budget}) / (\text{gallons pumped})$</p>
Fuel Transaction	<p>Covers</p> <ul style="list-style-type: none"> • Fuel transaction from an ADOT source to any customer • Fuel transaction from a non-ADOT source to ADOT Orgs only
Operating Expenses	Includes the following: cost of repair parts, labor, upgrades in equipment and contractor repairs. In addition it includes all charges associated with traveling to/from ADOT fueling locations including per-diem.
SG&A	Selling, General and Administrative Expenses. These expenses are not associated to any one site and include all SG&A cost. Examples of this would be the salary of the office staff, the day to day cost in running the fuel office, etc.

12.06 Policy

- A. The Fuel Management Fee is added to the per gallon cost price of all fuel transactions handled by ADOT's Fuel Systems Management.
 - a. Any fuel obtained at an ADOT fueling depot is subject to the Fuel Management Fee. Types of fuel included, but are not limited to: unleaded, diesel, bio diesel, and compressed natural gas (CNG).
 - b. Any fuel purchased using a 'Voyager Fleet Fuel Card' is subject to the Fuel Management Fee. Types of fuel include but are not limited to: unleaded, diesel, bio diesel, propane (LPG), compressed natural gas (CNG) liquefied natural gas (LNG), and aviation/jet fuel.
- B. Calculation for the cost per gallon of fuel
 - a. The contract price for all gasoline and diesel fuels shall be the margin price (in cents, to a maximum of four decimal places) for each line item, to be added to the "rack average" price published by the Oil Price Information Service (O.P.I.S.) for the type of fuel required in order to determine the actual purchase price.
 - b. Any applicable taxes will be added to cost of fuel per the current Bulk Fuel contracted obligations.
- C. At this time, the fee is ~~12.5~~ 19.8 cents per gallon.

12.07 Fuel Management Fee Calculation Procedure

The Fuel Management Fee is calculated every year to ensure the most accurate allowance is applied. This policy also augments the accountability of ADOT and decreases the possibility of charging too much or too little for fuel.

12.08 Corresponding Policies

- A. SUP-6.01 Equipment Classification and Incentivized Rate
- B. FIN-6.13 Fleet Fuel Card