



# NEWPORT BEACH

## City Council Staff Report

May 12, 2026  
Agenda Item No.7

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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**TITLE:** Approval of Purchase Order with Pinnacle Petroleum, Inc. for Fuel Voyager Cards

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### **ABSTRACT:**

The Corporation Yard Improvement Project, which replaces the existing Compressed Natural Gas (CNG) fueling station and replaces the underground storage tanks with above ground tanks, among other improvements, has impacted fueling availability for staff. Construction is underway and is anticipated to be completed by the end of summer 2026.

To maintain uninterrupted fueling capability during construction, the City of Newport Beach issued a purchase order to Pinnacle Petroleum, Inc. (Pinnacle) for off-site unleaded gasoline fueling services through its Voyager Fleet Card program. Due to the extended duration of the fueling site closure and increased retail gasoline prices, staff requests City Council approval to increase the spending limit of the current purchase order and authorize an additional purchase order for Fiscal Year 2026-27. This will ensure uninterrupted fueling services until the new fueling facility is fully operational and all fueling activities have transitioned back to the Superior Avenue site.

### **RECOMMENDATIONS:**

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve an increase to the spending amount of Purchase Order 22601367 by \$100,000 for a total not-to-exceed amount of \$220,000, and;
- c) Approve a Purchase Order with Pinnacle Petroleum, Inc. for a total not-to-exceed amount of \$200,000 to provide off-site unleaded gasoline fueling services through its Voyager fleet card program for Fiscal Year 2026-27.

### **DISCUSSION:**

Effective January 1, 2026, the City fueling site located at 592 Superior Avenue was closed to comply with environmental regulations requiring the removal of two single-wall

underground fuel storage tanks. The existing fueling infrastructure is currently being demolished. Construction of a new above-ground fuel storage tank and fuel island is in progress and scheduled for completion in the summer of 2026.

To maintain uninterrupted fueling capability, the City previously approved an Exception to Bidding form (Attachment A) and issued Purchase Order 22601367 (Attachment B) with Pinnacle to provide off-site unleaded gasoline fueling services through its Voyager card program, which began on January 19, 2026.

Due to the extended duration of the fueling site closure, ongoing volatility in the fuel market, and the sharp increase in crude oil and retail gasoline prices, staff anticipates that fuel costs will continue to fluctuate significantly through the remainder of the fiscal year, resulting in higher than anticipated expenditures under the current purchase order.

As a result, staff requests City Council approval to increase the spending limit of the current purchase order by \$100,000 for a total not-to-exceed amount of \$220,000. Furthermore, staff is seeking City Council approval of an additional purchase order with Pinnacle for FY 2026-27 in the amount of \$200,000 to continue fueling services until the new fueling facility is fully operational and all fueling activities have transitioned back to the Municipal Operations Yard.

**FISCAL IMPACT:**

The adopted budget includes sufficient funding for this purchase. It will be expensed to the Fuel Inventory Account in the Municipal Operations Department Equipment Fund, 752-161004.

**ENVIRONMENTAL REVIEW:**

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

**NOTICING:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

**ATTACHMENTS:**

Attachment A – Exception to Bidding Request Form 2-5-2026

Attachment B – Purchase Order 22601367