



December 30, 2024

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# Fuel Purchase

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Dear Reader:

The following document was created from the CTAS website ([ctas.tennessee.edu](http://ctas.tennessee.edu)). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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# Fuel Purchase

Reference Number: CTAS-961

T.C.A. § 12-3-1214 allows a county, municipality, metropolitan government, utility district, local education agency, or other local government entity to purchase gasoline or diesel fuel in bulk amounts in the open market without public advertisement or competitive bidding provided that such entities shall, whenever possible, obtain at least three documented quotes. Gasoline or diesel fuel may also be purchased from the department of general services' contract where available.

Additionally, T.C.A. § 7-51-911 authorizes fuel stabilization contracts for a maximum term of 24 months. The statute states that "notwithstanding any other law to the contrary, a municipality may, with the approval of its governing body, enter into a negotiated contract or contracts, including a joint contract or contracts, with other municipalities, with a bank, investment bank or other similar financial institution for the purpose of stabilizing the net expense of the municipality incurred in the purchase of gasoline, diesel or both gasoline and diesel fuel actually purchased by the municipality. Any contract entered into under this section must be for a term of no more than twenty-four (24) months. The authority granted under this section is in addition to, and supplemental to, any existing authority granted a municipality under any other law."

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**Source URL:** <https://www.ctas.tennessee.edu/eli/fuel-purchase>