

T Transportation Committee
Meeting date: October 26, 2009
Metropolitan Council Meeting: November 4, 2009

ADVISORY INFORMATION

Date: October 14, 2009
Subject: Authorization to Award Contract for Fuel Supply for Northstar Commuter Rail Service
District(s), Member(s): All
Policy/Legal Reference: Council Expenditure Policy
Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510
Vince Pellegrin, Chief Operations Officer, 612-349-7511
Ed Byers, Director Northstar Commuter Rail, 612-349-7080
Chris Gran, Director of Purchasing, 612-349-5060
Division/Department: Metro Transit/Northstar Commuter Rail

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute a contract with Yocum Oil Company, Inc. to supply train fuel in accordance with Council specifications and Yocum Oil Company's bid price for a two-year term, with options to extend the contract term up to an additional 24 months.

Background

Northstar Commuter Rail service will start service on November 16, 2009, and the five Northstar locomotives will require a continuous supply of fuel. Approximately 350,000 gallons of fuel will be required annually. Since there is no fuel storage tank at the Big Lake Maintenance Facility, the supplier will deliver and dispense the fuel directly from the transport truck into each locomotive. It is expected that one or two weekly deliveries of 5,000 gallons will be required.

The Council solicited sealed bids for a fuel supply contract for a two-year term with options to extend the term for up to an additional 24 months. Bids were solicited for a fixed per-gallon price, which, when added to the daily Oil Price Information Service price index, will be the Council's total per-gallon cost.

Rationale

Seven bids were received, ranging from \$1,421,760 to \$1,618,560. Yocum Oil Company submitted the low bid of \$1,421,760. Actual expenditures will be determined by the Oil Price Information Service price index for the specified fuel, which will fluctuate daily over the contract term to reflect petroleum market prices. The contract will allow Metro Transit to add biodiesel to the fuel at either five or twenty percent content at any time during the contract.

Funding

Funds are available in Metro Transit's Northstar operating budget.

Known Support/Opposition

There is no known opposition to the proposed action.