

T Transportation Committee

Meeting Date: November 22, 2010

Metropolitan Council Meeting on December 8, 2010

ADVISORY INFORMATION

Date:	November 16, 2010
Subject:	Authorization to Extend Contract for Gasoline Supply
District(s), Member(s):	All Council Members
Policy/Legal Reference:	Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$250,000
Staff Prepared/Presented:	Arlene McCarthy, Director MTS (651-602-1754) Gerri Sutton, Assistant Director MTS (651-602-1672) Paul Colton, Senior Manager Metro Mobility (651-602-1668) Chris Gran, Metro Transit Director of Purchasing (612-349-5060)
Division/Department:	Metropolitan Transportation Services / Metro Mobility

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to extend the final option year on Contract 08P020 with Lubricant Technologies (formerly Egan Oil Company) and increase the maximum contract amount by \$2,800,000.

Background

The Metropolitan Council entered into a two-year agreement with Egan Oil in April of 2008 which was competitively bid. The agreement allows for two (2) twelve (12) month extensions. The first extension was authorized by the Regional Administrator commencing on April 23, 2010. The second extension will take effect on April 23, 2011, and will allow Metro Mobility to purchase gasoline through April 23, 2012. The total four-year amount of the agreement will be \$5,875,000. The Metro Mobility gasoline operated portion of its fleet has more than doubled since the inception of the gasoline contract in 2008.

Rationale

When the original bid was released, Egan Oil submitted the low bid. Actual expenditures for fuel are determined by the Oil Price Information Service price index for gasoline, which fluctuates daily over the contract term to reflect petroleum market prices. Lubricant Technologies purchased Egan Oil in August of 2010 and must comply with the conditions and terms of the agreement.

Funding

Funding is available in the Metro Mobility annual operating budget.

Known Support / Opposition

No known opposition.