

**T Transportation Committee**  
**For Metropolitan Council meeting of November 4, 2009**

**Item: 2009-383**

**NON-CONSENT**

**Date**

**Prepared: October 28, 2009**

**Subject: Authorization to Award Contract for Diesel Fuel Supply for  
Northstar Commuter Rail Service**

**Proposed Action:**

That the Metropolitan Council authorize the Regional Administrator to execute a contract with Yocum Oil Company, Inc. to supply diesel 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 twenty-four months.

**Summary of Committee Discussion / Questions:**

Committee members presented questions to staff regarding the total contract cost and estimated price per gallon.



## 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.