

Transportation Committee

Business Item

Item: 2008-66

Meeting date: March 10, 2008

Council Meeting: April 9, 2008

ADVISORY INFORMATION

Date:	February 27, 2008
Subject:	Authorization to Award Contract for Gasoline Supply
District(s), Member(s)	All
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, Asst. Dir., Contracted Transit Services (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 execute a contract with Eagan Oil Company to supply gasoline in accordance with Council specifications and Eagan Oil Company's bid price for a two-year term, with options to extend the contract term up to an additional twenty-four months.

Background

Up until late 2007, Metro Mobility Agency Service was operated with diesel-powered vehicles, with fuel supplied under the Council's contract for diesel fuel. These diesel vehicles were replaced by 80 new vehicles with gasoline engines. The Council now requires a contract for bulk gasoline to supply the estimated 375,000 gallons of gasoline these vehicles will use annually.

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

Rationale

Five bids were received. Eagan Oil submitted the low bid with an estimated two-year cost of \$1,822,500. The bid prices were very competitive; all five bids were within 3 percent of each other, ranging from \$1,822,500 to \$1,875,000. Actual expenditures will be determined by the Oil Price Information Service price index for gasoline, which will fluctuate daily over the contract term to reflect petroleum market prices.

Funding

Funding is available in the Metro Mobility annual operating budget.

Known Support / Opposition

None.