

T Transportation Committee
Metropolitan Council meeting of August 10, 2011

Date August 1, 2011

Prepared:

Subject: Authorization to execute Contract No. 11P002A, Diesel Fuel Supply
REBID

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to execute contract No. 11P002A with Hartland Fuel Products, LLC for the supply of diesel fuel to the Metropolitan Council/Metro Transit for a two-year period with options to extend for years three and four. The contract will be in an amount not to exceed \$124,000,000.

Summary of Committee Discussion / Questions:

Micky Gutzmann, Acting Director of Council Contracts and Procurement presented.

Council member Brimeyer asked what happened the first time vs. those on the rebid. Staff told the Committee that the same five suppliers bid both times and that there was a discussion with the suppliers outlining both the requirements for the bid documents and the specifications.

Council member Doan asked how much we spent on fuel last year – Brian Lamb, General Manager of Metro Transit stated that it was about \$27Million.

Council Member Munt motioned and it was seconded by Council Member Reynoso and passed unanimously. This item is placed on the non-consent list because of the size of the contract.

T Transportation Committee
Meeting date: July 25, 2011
For Metropolitan Council: August 10, 2011

ADVISORY INFORMATION

Date: July 18, 2011
Subject: Authorization to execute Contract No. 11P002A, Diesel Fuel Supply REBID
District(s), Member(s): All
Policy/Legal Reference: Council Expenditure Policy 3-3 Procurement of Goods and Services over \$250,000
Staff Prepared/Presented: Brian Lamb, General Manager 612.349.7510
Vince Pellegrin, Chief Operating Officer, 612.349.7511
Julie Johanson, Deputy Chief Operations, 612.349.7511
Jan Homan, Director Bus Maintenance, 612.349.5000
Micky Gutzmann, Acting Director Council Contracts & Procurement 651.602.1741
Division/Department: Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute contract No. 11P002A with Hartland Fuel Products, LLC for the supply of diesel fuel to the Metropolitan Council/Metro Transit for a two-year period, with options to extend for years three and four. The contract will be in an amount not to exceed \$124,000,000.

Background

In February of 2011, staff conducted an Invitation For Bid (IFB) for a new diesel fuel supply contract. All five (5) respondents were either non-responsive or not responsible. Staff reviewed the scope and revised it to ensure that more bidders can meet the requirements and not compromise the quality of the fuel supply. The subsequent solicitation was advertised in May 2011 with five (5) respondents. Hartland Fuel Products, LLC was found to be the lowest, responsive, responsible bidder.

Staff exercised great scrutiny to ensure that Hartland Fuel Products, LLC is a responsible bidder and capable of supplying the Council with a sufficient supply of diesel fuel.

Rationale

Council authorization is required to execute a contract over \$250,000.

Funding

Funding for diesel fuel is included in the operations budget.

Known Support / Opposition

There is no known opposition to the proposed action.