SUMMARY STATEMENT

ITEM NO.               SUBJECT: Fuel Contract for DRPA and PATCO

COMMITTEE:            New Business

COMMITTEE MEETING DATE: June 13, 2007

BOARD ACTION DATE:     June 13, 2007

PROPOSAL: That the Board authorizes staff to negotiate a contract with Petroleum Traders, Fort Wayne, IN for the purchase of unleaded gasoline, low-sulfur automotive diesel fuel and #2 heating fuel oil.

PURPOSE: To purchase fuel for all Delaware River Port Authority and PATCO vehicles including maintenance, snow removal, public safety and staff operations vehicles, Marine Patrol Unit and #2 heating fuel oil for PATCO Administration buildings for the period July 1, 2007 through June 30, 2008 with option to renew for one (1) additional year.

BACKGROUND: Bids for supplying the following fuel for all DRPA and PATCO fleet and marine activities were based on the following requirements:

a. Approximately 234,000 gallons of unleaded gasoline for DRPA.

b. Approximately 65,000 gallons of unleaded gasoline for PATCO.

c. Approximately 75,000 gallons of low-sulfur automotive diesel fuel for DRPA.

d. Approximately 15,000 gallons of low-sulfur automotive diesel fuel for PATCO.

e. Approximately 48,000 gallons of #2 heating fuel oil for PATCO.

The award was based on the lowest bid differential cost to the “Reseller Tank Car Price” for each commodity, calculated by the gallon, as posted in the Journal of Commerce on April 9, 2007. On that date, regular unleaded gasoline was reported as $2.2195 per gallon, low-sulfur diesel was $2.1035 per gallon and #2 heating oil was $1.886 per gallon.
The reported price will fluctuate during the contract period depending on market conditions. However, the differential cost will remain firm for the length of the contract. The differential amount paid to Petroleum Traders is approx. $23,660/year. The fuel bid was publicly advertised and bid documents were available beginning April 23, 2007. Bids were taken on May 18, 2007. Twenty two (22) vendors were solicited and four (4) responsive bids were received (summary of bids attached).

Petroleum Traders low bid was a fixed differential which varies by fuel type and location as referenced below:

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>BFB</th>
<th>WWB</th>
<th>CBB</th>
<th>BRB</th>
<th>Marine</th>
<th>PATCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unleaded gasoline</td>
<td>+$0.0431</td>
<td>+$0.0361</td>
<td>+$0.0431</td>
<td>+$0.0349</td>
<td>+$5.000</td>
<td>+$0.0491</td>
</tr>
<tr>
<td>Low-Sulfur diesel</td>
<td>+.0423</td>
<td>+.0333</td>
<td>+.0371</td>
<td>+.0362</td>
<td>N/A</td>
<td>+.0476</td>
</tr>
<tr>
<td>#2 Heating Oil</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>+.0476</td>
</tr>
</tbody>
</table>

DRPA Purchasing Staff has reviewed the New Jersey State Fuel Contracts and found the bid submitted by Petroleum Traders to be in the best interest of the DRPA and PATCO. The differentials under the New Jersey State Contracts are on average 80% higher than the differentials submitted by Petroleum Traders, which applied to the cost of the fuel would cost an additional $8,500 throughout the year. The Pennsylvania State Contract does not have any New Jersey delivery locations for comparison purposes.

SUMMARY:  
Amount: $968,598.20 *  
Source of Funds: Revenue Fund  
Capital Project #: N/A  
Operating Budget: 2007  
Master Plan Status: N/A  
Other Fund Sources: N/A  
Duration of Contract: July 1, 2007 to June 30, 2008 with option to renew for one (1) additional year

*Annual amount based on market conditions as of May, 2007. Fuel prices subject to market fluctuations.
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with Petroleum Traders for the purchase of unleaded gasoline, low-sulfur diesel fuel and #2 heating oil for the period of July 1, 2007 through June 30, 2008; during which period Petroleum Traders will provide gasoline or the Benjamin Franklin, Commodore Barry, Betsy Ross, Walt Whitman Bridges, the Marine Unit and PATCO at an average price differential of +$.0427 and will provide low-sulfur diesel fuel as required to the Benjamin Franklin, Commodore Barry, Betsy Ross, Walt Whitman Bridges and PATCO at an average price differential of +$.0393. Heating fuel oil for PATCO has a fixed differential of +$.0476.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of DRPA and PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer, and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA and PATCO, along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA and PATCO.

SUMMARY:

- Amount: $968,487.30 *
- Source of Funds: Revenue Fund
- Capital Project #: N/A
- Operating Budget: 2007
- Master Plan Status: N/A
- Other Fund Sources: N/A
- Duration of Contract: July 1, 2007 to June 30, 2008 with option to renew for one (1) additional year
- Other Parties Involved: N/A

*Annual amount based on market conditions as of May, 2007. Fuel prices subject to market fluctuations