SUMMARY STATEMENT

ITEM NO.: DRPA-12-047   SUBJECT: Fuel Contract for DRPA and PATCO

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: April 18, 2012

BOARD ACTION DATE: May 16, 2012

PROPOSAL: That the Board authorizes staff to negotiate a contract with Isobunkers LLC, Aston, PA 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 and #2 heating fuel oil for PATCO Administration buildings for the period July 1, 2012 through June 30, 2013.

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

a. Approximately 185,000 gallons of unleaded gasoline for DRPA.
b. Approximately 60,000 gallons of unleaded gasoline for PATCO.
c. Approximately 25,556 gallons of low-sulfur automotive diesel fuel for DRPA facility locations in New Jersey.
e. Approximately 15,000 gallons of low-sulfur automotive diesel fuel for PATCO.
e. Approximately 48,000 gallons of #2 heating fuel oil for PATCO.

Contract renewal pricing is based on “Reseller Tank Car Price” for each commodity, calculated by the gallon, as posted in the Journal of Commerce on April 12, 2011. On that date, regular unleaded gasoline was reported as $3.1425 per gallon, low-sulfur diesel was $3.454 per gallon, Diesel 2% Bio Fuel was $3.4045 per gallon and #2 heating oil was $3.31 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 Isobunkers LLC is approx. $13,222/year which is a $5,848.00 increase over last year. This is a contract renewal option for one (1) additional year.

The original fuel bid was publicly advertised and bid documents were available beginning April 15, 2011. Bids were publicly opened on April 29, 2011. Twenty-nine (29) vendors were solicited and seven (7) responsive bids were received. Isobunkers LLC was the lowest responsive, responsible bidder and awarded the fuel contract under Resolution #DRPA-11-047, approved by Board on June 8, 2011. The original fuel bid included a one (1) year contract renewal option. Isobunkers LLC 2nd year renewal pricing is 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>PATCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unleaded gasoline</td>
<td>+$0.0507</td>
<td>+$0.0348</td>
<td>+$0.0608</td>
<td>+$0.0637</td>
<td>+$0.0491</td>
</tr>
<tr>
<td>Low-Sulfur diesel</td>
<td>+$0.0707</td>
<td>N/A</td>
<td>+$0.0808</td>
<td>+$0.0837</td>
<td>+$0.0691</td>
</tr>
<tr>
<td>Diesel 2% Bio Fuel</td>
<td>N/A</td>
<td>+$0.0548</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</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>+$0.0762</td>
</tr>
</tbody>
</table>

DRPA staff has reviewed the New Jersey State Fuel Contracts and found the pricing submitted by Isobunkers LLC to be in the best interest of the DRPA and PATCO. The differentials under the New Jersey State Contracts are on average 265% higher than the differentials submitted by Isobunkers LLC. The Pennsylvania State Contract does not have any New Jersey delivery locations for comparison purposes.

**SUMMARY:**

- **Amount:** $1,145,452.10*
- **Source of Funds:** Revenue Fund
- **Capital Project #:** N/A
- **Operating Budget:** 2012/2013
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** July 1, 2012 to June 30, 2013

* Fuel prices subject to market fluctuations
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with Isobunkers LLC for the purchase of unleaded gasoline, low-sulfur diesel fuel and #2 heating oil for the period of July 1, 2012 through June 30, 2013; during which period Isobunkers LLC will provide gasoline to the Benjamin Franklin, Commodore Barry, Betsy Ross, Walt Whitman Bridges and PATCO at an average price differential of +$.0528 and will provide low-sulfur diesel fuel as required to the Benjamin Franklin, Commodore Barry, Betsy Ross, and PATCO at an average price differential of +$.0760, and will provide Diesel 2% Bio Fuel for the Walt Whitman Bridge at a differential of +$.0548. Heating fuel oil for PATCO has a fixed differential of +$.0762.

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: $1,145,452.10*
Source of Funds: Revenue Fund
Capital Project #: N/A
Operating Budget: 2012/2013
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: July 1, 2012 to June 30, 2013
Other Parties Involved: N/A

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