SUMMARY STATEMENT

ITEM NO.: DRPA-14-082    SUBJECT: Fuel Contract for DRPA and PATCO

COMMITTEE:     Operations & Maintenance

COMMITTEE MEETING DATE:   June 13, 2014

BOARD ACTION DATE:    June 19, 2014

PROPOSAL:  That the Board authorizes staff to negotiate a contract with Riggins Inc., Vineland, NJ. for the purchase of unleaded gasoline, low-sulfur automotive diesel fuel, Diesel 2% Bio 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 a One (1) year period on a (2nd) year renewal option.

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

  a. Approximately 179,500 gallons of unleaded gasoline for DRPA.

  b. Approximately 60,000 gallons of unleaded gasoline for PATCO.

  c. Approximately 19,500 gallons of low-sulfur automotive diesel fuel for DRPA facility locations in New Jersey.

  d. Approximately 14,000 gallons of Diesel 2% Bio Fuel for the Walt Whitman Bridge location in Pennsylvania.

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

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

Contract pricing is based on “Reseller Tank Car Price” for each commodity, calculated by the gallon, as posted in the Journal of Commerce on April 17, 2013. On that date, regular unleaded gasoline was reported as $2.7835 per gallon, low-sulfur diesel was $2.8956 per gallon, Diesel 2% Bio Fuel was $2.9404 per gallon and #2 heating oil was $2.75 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 original fuel bid was publicly advertised and bid documents were available beginning May 7, 2013. Bids were publicly opened on May 23, 2013. Eleven of bids (11) vendors were solicited and seven (7) responsive bids were received (summary of bids attached).

One (1) Year contract with a one (1) year renewable

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<thead>
<tr>
<th></th>
<th>BI</th>
<th>DIFFERENTIAL</th>
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</thead>
<tbody>
<tr>
<td>RIGGINS, VINELAND,</td>
<td>$939,288.65</td>
<td>$13,903.00</td>
</tr>
<tr>
<td>PAPCO, ASTON,</td>
<td>$944,260.64</td>
<td>$21,955.89</td>
</tr>
<tr>
<td>PETROLEUM TRADERS, FT.WAYNE, IN</td>
<td>$948,332.05</td>
<td>$22,946.40</td>
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<tr>
<td>EAST RIVER ENERGY, GUILFORD, CT</td>
<td>$952,519.21</td>
<td>$27,134.86</td>
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<td>PEDRONI FUEL, VINELAND,</td>
<td>$957,161.65</td>
<td>$31,776.00</td>
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<td>PHOENIX PETROLEUM, WAYNE, PA</td>
<td>$970,260.86</td>
<td>$44,875.21</td>
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<tr>
<td>MAJESTIC OIL, CHERRY HILL,</td>
<td>$971,474.25</td>
<td>$46,088.60</td>
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Riggins Inc. was the lowest responsive, responsible bidder and their indicated 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>PATCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unleaded gasoline</td>
<td>+$.0325</td>
<td>+$.0325</td>
<td>+$.0325</td>
<td>+$.0325</td>
<td>+$.0325</td>
</tr>
<tr>
<td>Low-Sulfur diesel</td>
<td>+$.0685</td>
<td>N/A</td>
<td>+$.0685</td>
<td>+$.0685</td>
<td>+$.0685</td>
</tr>
<tr>
<td>Diesel 2% Bio Fuel</td>
<td>N/A</td>
<td>+$.1085</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>N/A</td>
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<tr>
<td></td>
<td>+$.0325</td>
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</table>

SUMMARY:
Amount: $939,288.65*
Source of Funds: Revenue Fund
Capital Project #: N/A
Operating Budget: 2014/2015
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: One (1) year Contract

* Fuel prices subject to market fluctuations

DRPA-14-082
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with Riggins Inc. for the purchase of unleaded gasoline, low-sulfur diesel fuel and #2 heating oil for the period of One (1) Year; during which period Riggins Inc. will provide gasoline to the Benjamin Franklin, Commodore Barry, Betsy Ross, Walt Whitman Bridges and PATCO at an average price differential of +$.0325 and will provide low-sulfur diesel fuel as required to the Benjamin Franklin, Commodore Barry, Betsy Ross, and PATCO at an average price differential of +$.0685, and will provide Diesel 2% Bio Fuel for the Walt Whitman Bridge at a differential of +$.1085. Heating fuel oil for PATCO has a fixed differential of +$.0325.

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:

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Other Parties Involved: N/A

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