

**SUMMARY STATEMENT**

**ITEM NO.:** DRPA-16-082

**SUBJECT:** Fuel Contract for DRPA and PATCO

**COMMITTEE:**

Operations & Maintenance

**COMMITTEE MEETING DATE:**

July 12, 2016

**BOARD ACTION DATE:**

July 20, 2016

**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 low-sulfur heating fuel oil.

**PURPOSE:** To purchase fuel for all Delaware River Port Authority and PATCO vehicles including maintenance, snow removal, public safety and staff operation vehicles and low-sulfur heating fuel oil for PATCO Administration Buildings.

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

- a. Approximately 190,000 gallons of unleaded gasoline for DRPA.
- b. Approximately 60,000 gallons of unleaded gasoline for PATCO.
- c. Approximately 19,335 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 18,000 gallons of low-sulfur automotive diesel fuel for PATCO.
- f. Approximately 12,000 gallons of low-sulfur heating fuel 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 15, 2015. On that date, regular unleaded gasoline was reported as \$1.6723 per gallon, low-sulfur diesel was \$1.8216 per gallon, diesel 2% bio fuel was \$1.8290 per gallon and low-sulfur heating oil was \$1.8216 per gallon. As of June 11, 2015 regular unleaded gasoline was reported as \$2.14 per gallon, this was a 28% increase from April 15<sup>th</sup>. Because of the fluctuating price of unleaded fuel we are asking for a not to exceed contract amount of \$700,000.00.

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 April 27, 2016. Bids were publicly opened on May 18, 2016. Seventeen (17) vendors were solicited and five (5) bids were received.

<b>SUMMARY OF 2015 FUEL BID RESULTS:</b>		
	<b>BID</b>	<b>DIFFERENTIAL</b>
<b>RIGGINS, Inc. VINELAND, NJ</b>	<b>\$547,171.11</b>	<b>\$12,121.47</b>
PAPCO, ASTON, PA	\$548,346.02	\$13,296.38
EAST RIVER ENERGY, GUILFORD, CT	\$564,817.42	\$29,767.78
J.SWANTON FUEL, ATLANTIC HIGHLANDS, NJ	\$565,025.18	\$29,975.54
<b>Petroleum Trades FT Wayne, IN. Did Not submit</b>		

**Riggins Inc. was the lowest responsive, responsible bidder and their indicated low bid was based on a fixed differential which varies by fuel type and location as referenced below:**

	<b>BFB</b>	<b>WWB</b>	<b>CBB</b>	<b>BRB</b>	<b>PATCO</b>
<b>Unleaded gasoline</b>	<b>+\$0.031</b>	<b>+\$0.031</b>	<b>+\$0.031</b>	<b>+\$0.031</b>	<b>+\$0.031</b>
<b>Low-Sulfur diesel</b>	<b>+\$0.067</b>	<b>N/A</b>	<b>+\$0.067</b>	<b>+\$0.067</b>	<b>+\$0.067</b>
<b>Diesel 2% Bio Fuel</b>	<b>N/A</b>	<b>+\$0.067</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Low-Sulfur Heating Oil</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>+\$0.031</b>

<b>SUMMARY:</b>	<b>Amount:</b>	<b>\$700,000.00* (not to exceed)</b>
	<b>Source of Funds:</b>	<b>Revenue Fund</b>
	<b>Capital Project #:</b>	<b>N/A</b>
	<b>Operating Budget:</b>	<b>2016/2017</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	<b>N/A</b>

**\*Fuel prices subject to market fluctuations**

**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 low-sulfur heating oil for the period of one (1) year to provide unleaded gasoline to the Benjamin Franklin, Commodore Barry, Betsy Ross, Walt Whitman Bridges and PATCO at an average price differential of +\$.031, provide low-sulfur diesel fuel to the Benjamin Franklin, Commodore Barry, Betsy Ross, and PATCO at an average price differential of +\$.067, and provide diesel 2% bio fuel for the Walt Whitman Bridge at a differential of +\$.067 and low sulfur heating fuel oil for PATCO at a fixed differential of +\$.031. Cost of the one (1) year contract is hereby requested with an n-t-e cost of \$700,000.00.

**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.

<b>SUMMARY:</b>	<b>Amount:</b>	<b>\$700,000.00* (not to exceed)</b>
	<b>Source of Funds:</b>	<b>Revenue Fund</b>
	<b>Capital Project #:</b>	<b>N/A</b>
	<b>Operating Budget:</b>	<b>2016/2017</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	<b>N/A</b>
	<b>Other Parties Involved:</b>	<b>N/A</b>

**\* Fuel prices subject to market fluctuations**