

Transportation Committee

For the Metropolitan Council meeting of December 23, 2020

Subject: Metro Mobility Gasoline Fuel Supply-2020, Contract 20P031

Proposed Action

That the Metropolitan Council authorizes award and execution of contract 20P031 with World Fuel Services, Inc., in the amount of \$30,801,811.93 to supply gasoline in accordance with Council specifications for a three-year term.

Summary of Committee Discussion/Questions

2020- 342: Metro Mobility Gasoline Fuel Supply-2020, Contract 20P031

Metropolitan Transportation Services Senior Project Administrator Greg Schuck presented this item. Sterner asked what the savings are when we do a contract like this versus having the buses go to retail store in the area. Schuck answered the bid went to local and national providers and that there is a steep discount for buying the fuel in bulk. Chamblis questioned if all the bidders were providing the same type of wholesale items. Schuck responded that the bid went out for an specified amount of gallons for a price, so the vendors came back with their price for the X amount of gallons. Fredson asked if we have negotiated for a contract that includes other divisions – such as MTPD vehicles. Shuck answered that he was unaware of that type contract as Metro Mobility goes through a large amount of fuel and the providers tank a full tanker at a time. Chair Barber stated staff can get back to Fredson regarding what Metro Transit is currently doing in regard to fuel.

Motion by Fredson, seconded by Gonzalez.

Motion carried. CONSENT to Council.

Transportation Committee

Meeting date: December 14, 2020

For the Metropolitan Council meeting of December, 23, 2020

Subject: Metro Mobility Gasoline Fuel Supply-2020, Contract 20P031

District(s), Member(s): All

Policy/Legal Reference: Council Expenditure Policy 3-3, Procurement of Goods and Services

Staff Prepared/Presented: Nick Thompson, Director, MTS (651) 602-1754
Gerri Sutton, Assistant Director, MTS (651) 602-1672
Christine Kuenne, Metro Mobility Senior Manager (613) 322-2207
Clay Stenback, Metro Mobility Operations Manager (651) 602-1664
Greg Schuck, Metro Mobility Project Administrator (651) 602-1612

Division/Department: Metropolitan Transportation Services / Metro Mobility

Proposed Action

That the Metropolitan Council authorizes award and execution of contract 20P031 with World Fuel Services, Inc., in the amount of \$30,801,811.93 to supply gasoline in accordance with Council specifications for a three-year term.

Background

Metro Mobility has 634 gasoline powered vehicles in service. Fuel to operate these vehicles is purchased by the Council through a contracted supplier and delivered to the provider owned fueling stations. The price is based on estimated delivery of 4.6 million gallons annually to Metro Mobility's contractors; Transit Team and First Transit.

The Invitation for bid (IFB) was advertised on September 23, 2020. There were eight (8) plan holders. Procurement facilitated a public bid opening on October 21, 2020 when five (5) bids were received. The Office of Equal Opportunity (OEO) did not set a Disadvantaged Business Enterprise (DBE) or Metropolitan Council Underutilized Business (MCUB) goal for this project as it was for gasoline fuel only. World Fuel Services, Inc. was the lowest, responsive, and responsible bidder.

Rationale

Five (5) bids were received and World Fuel Services, Inc. submitted the low bid with an estimated three-year cost of \$16,517,594.93, considering current low fuel prices. The remaining 4 bids were competitive, ranging from \$17,126,327 to \$16,638,232. Actual expenditures will be determined by the Oil Price Information Service price index for gasoline, which will fluctuate daily over the contract term to reflect petroleum market prices. Anticipated fuel price increases, and increased ridership (post-COVID19) has resulted in an estimated three-year contract amount of up to \$30,801,811.93. The award and execution of this contract, for goods and delivery services, in excess of \$500,000 requires Council approval.

Thrive Lens Analysis

Metro Mobility supports the outcomes and principals of Thrive MSP 2040 by promoting prosperity and livability of our region through the delivery of a safe, reliable, efficient and equitable public transportation service. Responsibly managing our expenses through a competitive bid process, helps us to continue to offer additional lower cost service options to our customers which further promotes these initiatives.

Funding

Funding is available in the Metro Mobility annual operating budget.

Known Support / Opposition

No known opposition.