

Transportation Committee

For the Metropolitan Council meeting of December 22, 2021

Subject: Contract for Fuel Supply for the Northstar Commuter Rail Service

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to award and execute contract 21P221 with Mansfield Oil Company of Gainesville, Inc. to supply diesel fuel for Northstar Commuter Rail in an amount not to exceed \$4,514,400.

Summary of Committee Discussion/Questions

Metro Transit Commuter Rail Manager Jeremy Spilde presented this item. Zeran asked what would happen to the contract if the Northstar service is ended. Spilde responded the contract isn't a guarantee, so would not be obligated to spend the total amount if the service ended. Cummings asked what factors might have led to only one bid. Spilde responded that Procurement sent an email to several vendors that were given the opportunity to bid and receiving only one response could be because we don't have a bulk fuel tank on site, so the fuel delivery must happen at night when the trains are parked which requires the vendor to have a third shift employee.

Motion by Fredson, seconded by Cummings. Motion carried, CONSENT to Council.

Transportation Committee

Meeting date: December 13, 2021

For the Metropolitan Council meeting of December 22, 2021

Subject: Contract for Fuel Supply for the Northstar Commuter Rail Service

District(s), Member(s): All

Policy/Legal Reference: FM 14-2 - Expenditures for the Procurement of Goods and Services Policy

Staff Prepared/Presented: Jeremy Spilde, Maintenance Manager (612)-349-7092

Division/Department: Metro Transit/ Northstar Commuter Rail

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to award and execute contract 21P221 with Mansfield Oil Company of Gainesville, Inc. to supply diesel fuel for Northstar Commuter Rail in an amount not to exceed \$4,514,400.

Background

Northstar Commuter Rail has operated train service since 2009 and the six Northstar locomotives require a continuous supply of diesel fuel. The current Northstar contract expires December 22, 2021. Approximately 250,000 gallons(gal) first year (yr), 300,000 gal second yr, 400,000 gal third yr, 475,000 gal fourth yr, 475,000 gal fifth yr of fuel to be supplied under this contract. Since the Northstar facility in Big Lake is not equipped with a fuel storage tank the supplier will deliver and dispense fuel directly from the transport truck into each Locomotive. It is expected that three weekly deliveries of approximately 5,000 gallons will be required.

The Council solicited sealed bids for a fuel supply contract for a two-year term with three one-year options to extend. Bids were solicited for a fixed per-gallon price, which, when added to the daily Oil Price Information Service price index, will be the Council's total per-gallon cost. This pricing structure is aligned with other diesel fuel contracts in place with the Council.

The Invitation for Bids was advertised on September 14, 2021. A pre-bid meeting was hosted by Council staff that outlined the solicitation requirements, discussed project specifications and responded to plan holder inquiries. There were four plan holders, three suppliers, and one /plan room. Procurement facilitated a public bid opening on October 19, 2021 and one bid was received. Procurement performed an adequate competition determination and it was concluded that the procurement was adequately competed and solicited.

Rationale

Mansfield Oil Company of Gainesville, Inc. is the lowest, responsive and responsible bidder at \$4,514,400 and recommended for award. The execution of a non-construction contract in excess of \$500,000 requires Council approval.

Thrive Lens Analysis

Equity among bidders; fiduciary responsibility; and a transparent bidding process all fit within the Thrive Lens.

Funding

The funding is available within NorthStar's operating budget, and reflected in the Council's authorized capital budget.



Small Business Inclusion

The Office of Equal Opportunity reviewed the MCUB Directory for MCUB firms to perform on this contract. The search yielded one Firm that provided services for Hauling fuel. Establishing a goal on the project would constitute a set aside. Therefore no MCUB goal was established.

Known Support / Opposition

There is no known opposition to the proposed action.