

Northstar Diesel Fuel Contract

Business Item No.2017-250



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Proposed Action

- Council authorize the Regional Administrator to execute contract 17P182 not to exceed \$4,594,675
- Beaudry Oil & Propane
 - 36 years experience within the petroleum handling business
 - Local Family owned Company in Elk River, MN
 - Metro Transit Finance found them to be financially responsible for a contract of this size

Background

- Northstar has been in service since November 16, 2009
- 6 Motive Power MP3600 Locomotives that require refueling of diesel fuel 3X per week to provide uninterrupted service to our riders.
- Northstar's current fuel contract with Mansfield Oil expires January 2, 2018

Contract Bidding Process

- Council solicited sealed bids for Northstar's fuel supply contract
- Total of four bids were received
 - Range \$4,535,300 - \$4,701,550
- Non-responsive bids were rejected
 - 3 rejected for missing the Bid Security Forms
- Beaudry Oil & Propane deemed lowest responsive & responsible bidder
 - \$4,594,675
 - Five year Contract

Funding

- Allocated within Northstar's operating budget

Pre-Questions

- Why can't Northstar be part of the Bus fuel contract.
 - A 1. Northstar's Locomotives are not equipped or capable of operating with bio-diesel fuel.
 - A 2. Northstar's VMF is not equipped with a bulk diesel fuel tank. Daily deliveries are required 3 times a week. Fuel must be directly deposited into each Locomotive.

QUESTIONS?

