

**To:** O&S Committee

**Date:** April 6, 2012

**From:** J. Scott Mitchell  
Director of Maintenance

**Reviewed By:**

**SUBJECT: RTCC Fuel Bid and Contract**

## **SUMMARY OF ISSUES:**

The Central Contra Costa Transit Authority, as a participant in the Regional Transit Coordinating Council (RTCC), has acted as the lead agency in the procurement of bids for the furnishing and delivery of ultra-low sulfur diesel fuel, biodiesel, and unleaded gasolines to the participating transit properties and other governmental agencies. It was the responsibility of the Authority to develop a comprehensive bid document for the solicitation of these products and to receive bids from prospective suppliers.

The Authority issued an Invitation for Bids on January 29, 2012, to forty-four (44) vendors on a bidders list developed by the RTCC, posted the Invitation for Bid on the CCCTA web site, and advertised it in the public press per the CCCTA Procurement Manual guidelines. Bids were received until 2:00 p.m. March 16, 2012, at which time the bids were publicly opened and read. A subsequent analysis was performed by CCCTA staff and the lowest responsive, responsible bidder was determined for CCCTA. A compilation of all bids received for CCCTA are attached.

The analysis determined that Boyett Petroleum is the lowest responsible, responsive bidder for furnishing and delivering ultra-low sulfur diesel fuel to the Authority. The low bid was determined by a comparison of the anticipated total value of the contract for a three year period based on a fixed add/deduct amount applied to the Oil Price Information Service (OPIS) price for CARB ultra-low sulfur diesel fuel for the week of March 5, 2012, times the anticipated volume of diesel fuel to be supplied. The weekly pricing for diesel fuel to the Authority by Boyett Petroleum will be the current week OPIS price index plus the add amount of .0082 cents per gallon plus applicable taxes.

## **OPTION 1:**

That CCCTA award the Ultra-Low Sulfur Diesel Fuel Contract to Boyett Petroleum.

## **FINANCIAL IMPLICATIONS:**

\$7,120,470 over three (3) years, if fuel prices remain steady and consumption of diesel fuel remains at the current level.

## **OPTION 2:**

CCCTA has the option to purchase ultra-low sulfur diesel fuel off of the spot market on a weekly basis.

**FINANCIAL IMPLICATIONS:**

The price of ultra-low sulfur diesel fuel purchased on the spot market will probably be greater than the bid price of the OPIS index plus .0082 cents per gallon because we would be purchasing fuel from different companies in smaller quantities.

**RECOMMENDATIONS:**

Staff recommends that CCCTA award the Ultra-Low Sulfur Diesel Fuel Contract to Boyett Petroleum.

**ACTION REQUESTED:**

The O&S Committee recommend to the Board of Directors at its April 19, 2012 meeting, the award of a contract by CCCTA to Boyett Petroleum for an initial term of three (3) years with the option for two (2) one (1) year extensions for the supply of ultra-low sulfur diesel fuel to the Authority.

**ATTACHMENT:**

A compilation of bids received for CCCTA is attached.

## Diesel Fuel Bid Results CCCTA

		OPIS Rack	OPIS Price	Add	Deduct	Net Price	Gallons	Total Price	Grand Total Price
Pinnacle Petroleum	Clear Diesel	San Fran	3.3825	0.0109		3.3934	2,100,000	7,126,140.00	7,126,140.00
River City Petroleum	Clear Diesel	San Fran	3.3825	0.0331		3.4156	2,100,000	7,172,760.00	7,172,760.00
IPO	Clear Diesel	San Fran	3.4089	0.0140		3.4229	2,100,000	7,188,090.00	7,188,090.00
Hunt & Sons	Clear Diesel	San Fran	3.3825	0.0140		3.3965	2,100,000	7,132,650.00	7,132,650.00
Golden Gate Petroleum	Clear Diesel	San Fran	3.3825	0.0715		3.4540	2,100,000	7,253,400.00	7,253,400.00
<b>Boyett Petroleum*</b>	<b>Clear Diesel</b>	<b>San Fran</b>	<b>3.3825</b>	<b>0.0082</b>		<b>3.3907</b>	<b>2,100,000</b>	<b>7,120,470.00</b>	<b>7,120,470.00</b>
SC Fuels	Clear Diesel	No Bid				0.0000	2,100,000	-	
Mansfield Oil	Clear Diesel	San Fran	3.3825	0.0118		3.3943	2,100,000	7,128,030.00	7,128,030.00

\*Low bidder is bolded.