



Legislation Details (With Text)

File #: 15-13596 **Version:** 1 **Name:**
Type: Consent Item **Status:** Agenda Ready
File created: 6/15/2020 **In control:** City Council Business Meeting
On agenda: 7/13/2020 **Final action:**
Title: CATS Ultra-Low Sulfur Diesel Fuel

Attachments:

Date	Ver.	Action By	Action	Result
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CATS Ultra-Low Sulfur Diesel Fuel

Action:

- A. Approve unit price contracts for the purchase of Ultra-Low Sulfur Diesel fuel for an initial term of three years to the following:**
 - **PAPCO Inc.,**
 - **Lykins Energy, and**

- B. Authorize the City Manager to renew the contracts for up to one, two-year term with possible price adjustments and to amend the contracts consistent with the purpose for which the contracts were approved.**

Staff Resource(s):

John Lewis, CATS
Allen Smith, III, CATS

Explanation

- The Charlotte Area Transit System manages fuel purchases using both fixed-price forward and variable index-price methods, in order to ensure a consistent supply of fuel for bus operations and to reduce price volatility. These methodologies are standard practice in an industry where prices are volatile.
- On April 28, 2020, the city issued an Invitation to Bid for both fixed-price and variable index-price fuel supply contracts; 11 bids were received.
- PAPCO Inc. was selected as the lowest responsive, responsible bidder for the fixed-price contract.
- Lykins Energy was selected as the lowest responsive, responsible bidder for the variable index-price contract.
- The annual expenditure for diesel fuel through both contracts is estimated to be \$6,500,000 (\$5,000,000 fixed-price; \$1,500,000 variable index-price), subject to available needs.

Charlotte Business INclusion

Per Charlotte Business INclusion Policy: Part C: Section 2.1(a), the city shall not establish Subcontracting Goals for Contracts where: (a) there are no subcontracting opportunities identified for the Contract; or (b) there are no M/WBEs or SBEs certified to perform the scopes of work that the city regards as realistic opportunities for subcontracting.

These contracts meet the provisions of (a) - No subcontracting opportunities

Fiscal Note

Funding: CATS Operating Budget