

## Legislation Details (With Text)

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

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

## 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 MWBES 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