

Legislation Text

File #: 15-13596, Version: 1

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):

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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