

Legislation Text

File #: 15-17636, Version: 1

CATS Ultra-Low Sulfur Diesel Fuel

Action:

- A. Approve a unit price contract with the lowest responsive bidder James River Solutions for the purchase of ultra-low sulfur diesel fuel on a fixed-price basis for an initial term of three years, and**
- B. Authorize the City Manager to renew the contracts for up to two, one-year terms with possible price adjustments and to amend the contract consistent with the purpose for which the contract were approved.**

Staff Resource(s):

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Explanation

- The Charlotte Area Transit System (CATS) 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. CATS existing rolling stock assets include in excess of 350 buses and paratransit vehicles that require diesel as the fuel source.
- CATS existing rolling stock assets include in excess of 350 buses and paratransit vehicles that require diesel as the fuel source. Diesel fueled vehicles will be replaced with zero emission vehicles as they reach their useful life.
- On January 10, 2022, the City issued an Invitation to Bid; five bids were received.
- James River Solutions was selected as the lowest responsive, responsible bidder.
- Annual expenditures are estimated to be \$3,700,000.

Disadvantaged Business Enterprise (DBE)

No goals shall be established on Contracts where: (a) there are no subcontracting opportunities identified for the Contract; or (b) there are no DBEs 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