

Transportation Committee

Meeting date: December 8, 2014

For the Metropolitan Council meeting of December 10, 2014

Subject: Authorization to Amend Metro Mobility Fuel Contract with Mansfield Oil Inc.

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$500,000.

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Division/Department: Transportation/Metropolitan Transportation Services (MTS) – Metro Mobility

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to amend contract 12P042 with Mansfield Oil Inc. to:

- 1) extend the termination date of the contract from December 31, 2014 to June 30, 2015, and
- 2) increase the maximum compensation by \$3,351,517 for a new contract total of \$22,448,303.

Background

Metro Mobility purchases the fuel used by the two primary contractors that provide complimentary ADA paratransit service. The Council solicited bids through a competitive process in 2012 for a gasoline supplier. The initial contract was for one year with an option to extend for an additional year. The option was executed in December 2013. A second amendment was executed in September 2014 to increase the contract value because of a significant increase in ridership and vehicle revenue miles which increased fuel consumption. This request is for a third amendment to extend the contract term an additional six months and add corresponding value which aligns the expiration of contract 12P042 with the start of new service contracts in June 2015.

Rationale

This amendment is recommended for two reasons. First, Metro Mobility service will be changing to a new contract structure starting in June 2015. Changes in delivery locations and purchase volume will directly impact the scope of the fuel contract. Staff recommends extending the current fuel contract with Mansfield Oil Inc. until the new Metro Mobility service contracts begin.

Second, the increase in ridership and transfer of Dakota County riders to the primary contractors in November 2014 has increased the consumption of fuel. In 2014, Metro Mobility averaged \$658,871 per month in fuel expenditures. In November 2014, due to both fleet expansion and the transfer of DARTS vehicles, 78 vehicles were added to the Metro Mobility fuel contract. This translates to an additional \$121,235 in fuel expenses per month.

The requested amendment increases the contract compensation which will allow Metro Mobility to continue to purchase fuel from Mansfield Oil Inc. through June 2015. After the new Metro Mobility contractors have been selected, an RFP will be issued to select a fuel vendor using a competitive process.

Funding

This amendment is budget neutral as fuel costs are shifted from the terminated DARTS contract to the Metro Mobility fuel contract.

Known Support / Opposition

No known opposition.