

Commuter Rail Operations Diesel Fuel Contract

FMCB Meeting

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Jeff Cook

Chief Procurement Officer



Diesel Fuel for Commuter Rail Operations



Procurement:

- A new OSD Statewide contract for Diesel Fuel, effective 8/1/2019
- Dennis K. Burke was awarded in our regions of usage
 - 5 total bidders all participated in Best and Final Pricing Negotiations

Contract:

- Total Contract Value for 5 years, not to exceed \$170,694,264
 - Contractor's markup stays flat for contract term
 - 30-day termination for convenience language will be included in issued contract
- The proposed contract provides the complete fuel supply for all Commuter Rail Operations provided by Keolis Commuter Services

Pricing:

- The Contract utilizes a fixed-price profit margin (or "markup") applied to the daily commodity index price
- In FY19, we purchased 13.77M gallons at an average of \$2.176 per gallon
 - Future consumption based on a 2% annual increases

