


Date: October 25, 2023

To: Board of Directors

From: Sam Desue, Jr. 

Subject: **RESOLUTION NO. 23-10-52 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH FLEET FUELS, LLC (FLEET FUELS) FOR MOBILE UNLEADED GASOLINE FUEL FOR TRIMET'S LIFT VEHICLES**

1. **Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract with Fleet Fuels, LLC (Fleet Fuels) for the procurement of mobile unleaded gasoline fuel for TriMet's LIFT vehicles (Contract).

2. **Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other _____

3. **Type of Contract Procurement**

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source) _____

4. **Reason for Board Action**

Board authorization is required for all goods and services contracts obligating TriMet to pay in excess of \$1,000,000.

5. **Type of Action**

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

6. **Background**

LIFT provides demand-response door-to-door service seven days per week, 365 days per year, including all legal holidays, to eligible riders unable to utilize TriMet's fixed-route bus, light rail, and commuter rail services due to disabilities. The LIFT fleet is comprised of a mix of cutaway mini-buses (used for trips requiring higher passenger and mobility device capacity) and passenger vans (used for trips with lower capacity requirements). Currently,

all LIFT vehicles are fueled with R99 renewable hydrocarbon diesel (RHD), provided by a mobile fleet fueling contractor six nights per week.

In accordance with the Federal Transit Administration (FTA) useful life guidelines for paratransit vehicles, TriMet LIFT vehicles are scheduled for replacement after seven years and 150,000 miles. Although TriMet has been able to extend the LIFT vehicle lifecycle to approximately ten years and 300,000 miles, they must be replaced at that point. .

TriMet procures its LIFT vehicles via a State of Oregon price agreement administered by the Oregon Department of Transportation (ODOT). Because diesel-fueled cutaway mini-buses are no longer available from the manufacturer, TriMet must transition its LIFT cutaway fleet to a gasoline-fueled fleet as its existing vehicles reach the end of their useful life. Currently, TriMet has 234 diesel and 34 gasoline LIFT vehicles. Each month, approximately ten diesel vehicles reach the end of their useful life and are replaced by gasoline vehicles. This will result in TriMet operating approximately 184 diesel and 84 gasoline LIFT vehicles by the end of FY2024. All of TriMet's gasoline vehicles meet the California Air Resource Board standards, which are the most stringent in the United States.

While TriMet intends to transition to an entirely zero-emissions bus fleet by 2040, zero-emissions vehicles suitable for delivery of paratransit service are not yet available. There are no electric LIFT vehicles now being manufactured that have sufficient battery life to make it safely through a service day. Currently, EV cutaway mini-buses are rated at 100 to 125 miles per day before recharging, but TriMet LIFT vehicles typically operate 250 to 300 miles per day. Further, TriMet LIFT has no charging infrastructure available to support an EV LIFT fleet.

Consequently, as current diesel-powered vehicles reach replacement age, they are being replaced with a mix of gasoline-powered Ford Econoline E-450/Eldorado Advantage cutaway mini-buses, and/or gasoline-powered, diesel-powered, or zero-emissions Ford Transit T-350 vans. While the ultimate composition of the replacement LIFT fleet will depend on availability and service demand trends, the need to incorporate gasoline-powered vehicles into the LIFT fleet requires TriMet to procure a reliable source of mobile unleaded gasoline fuel for an increasing percentage of its LIFT vehicles.

7. Description of Procurement Process

TriMet issued a Request for Proposals (RFP) on August 18, 2023, with proposals due on September 11, 2023. A total of 96 vendors were notified of the RFP via the TriP\$ website, of which, one vendor (Fleet Fuels) submitted a proposal.

TriMet believes that only one vendor submitted a bid because there are few vendors in the business, the volume of fuel requested is relatively low and the services required under the Contract are challenging. The Contract requires on-site, wet hose fueling of vehicles at each of the two LIFT service garages, from 10 AM to 3 PM daily.

A Source Evaluation Committee (SEC) comprised of staff from TriMet's Accessible Transportation Program, Purchasing, Safety & Security, and Transit Equity & Inclusion departments reviewed and evaluated the proposal. The evaluation criteria included: (1) driver/workforce recruitment and retention strategy; (2) diversity and/or diversity plan; (3) work plan and reliability assurance, including transition/start-up; and (4) price. After evaluating the proposal, the vendor was shortlisted to the competitive range, and the SEC

opened the price proposal. A Best and Final Offer (BAFO) was not requested as the procurement is for a commodity, for which pricing will fluctuate.

Overall scores of the firm are summarized below:

	Possible Points	Fleet Fuels
<i>Evaluation Criteria</i>		
Recruitment and Retention Approach	20	16.5
Workforce Diversity	20	19.0
Work Plan and Reliability Assurance	30	27.3
Technical Proposal Totals . . .	70	62.8
Price Proposal . . .	30	30.0
Total Score . . .	100	92.8
Proposed Pricing . . .	\$18,111,230	

The SEC was unanimous in its decision to award the resulting contract to Fleet Fuels, because Fleet Fuels is well qualified, experienced, and offered a very reasonable price for the Contract. The total price of the Contract compares favorably with TriMet’s Independent Cost Estimate (ICE) of \$19,585,290, over a five-year period. The ICE was based on TriMet’s current contract pricing (including escalation) for mobile R99 RHD fuel.

The proposed Contract will be for a five-year term, with TriMet retaining the unilateral option to terminate for convenience, for any reason, during the five-year term. Contract pricing is based on the Daily (7:30 am) Portland, OR, OPIS Net CBOB Ethanol (10%) (Regular) Unleaded Unbranded Rack Average Price and dealer mark-up/discount, with no price adjustment to the dealer mark-up/discount allowed during the term of the Contract. Any increase to the stated delivery charge will be at TriMet’s discretion, and will only be considered on an annual basis.

The estimated total amount of the Contract over its five year term is \$18,111,230. Expenditures under the Contract will be based on TriMet’s actual usage, which will vary annually according to the frequency of service, number of vehicles being serviced, and Rack Rate fuel prices.

8. **Diversity**
 Fleet Fuels is a Certified DBE/MBE business (Certification No. 13552). Its 19-person workforce is 15.8% female and 57.9% minority. Fleet Fuels will not use subcontractors to perform any of the work under the Contract.

9. **Financial/Budget Impact**
 The Contract amount is accounted for in the Transportation Operations operating budget for FY2024 and will be included in future budgets through FY2029. The cost is offset by reduced utilization of TriMet’s existing contract for R99 RHD mobile fleet fueling as

existing diesel-powered LIFT vehicles are retired and replaced with gasoline-powered or zero-emissions vehicles.

10. **Impact if Not Approved**

If this Resolution is not approved, TriMet would continue to use R99 RHD for those vehicles in its LIFT fleet that are diesel powered. However, this option will not accommodate LIFT's replacement gasoline powered vehicles, causing LIFT to take each vehicle to a commercial gas station to be fueled, putting a strain on staffing levels and at higher fuel costs. Further, re-solicitation of the Services is not likely to obtain better results in quality of proposals, or price. Because Fleet Fuels is highly qualified and its prices are fair and reasonable, Contract award to this vendor is strongly recommended.

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TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH FLEET FUELS, LLC (FLEET FUELS) FOR MOBILE
UNLEADED GASOLINE FUEL FOR TRIMET'S LIFT VEHICLES**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Fleet Fuels LLC (Fleet Fuels) for the procurement of mobile unleaded gasoline fuel for TriMet's LIFT vehicles (Contract); and

WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Contract exceeds \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Contract in the amount of not more than \$18,111,230, through the October 25, 2028, Contract term.

Dated: October 25, 2023

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department