

ITEM #: 31
 DATE: 06-25-24
 DEPT: Transit

COUNCIL ACTION FORM

SUBJECT: **FY 2024/25 FUEL PURCHASES FOR CYRIDE**

BACKGROUND:

Since 2015, CyRide has been purchasing fuel on the basis of a market rate plus a markup or deduction using twelve-month contracts. **Bidding fuel contracts for a twelve-month period reduces administrative costs while allowing CyRide to take advantage of competitive bidding. Pricing is based on the published Iowa DOT rack rate of fuel prices, which is updated daily. Bidders submit bids that add to or subtract a fixed amount from the published Iowa DOT fuel prices.**

Reviewing previous fuel bids, biodiesel was identified as a product where pricing could be improved. CyRide sought insight from fuel providers and determined that bidding the price of biodiesel as a percentage above or below the price of #2 diesel would provide pricing closer to the actual market cost of biodiesel.

On May 6, 2024, CyRide, with the assistance of the Purchasing Division, released Invitation to Bid (No. 2024-182) for the purchase of diesel fuel from July 1, 2024, through June 30, 2025. The procurement documents set a contract not-to-exceed amount equal to CyRide’s fuel budget for fiscal year 2025. Bids were due May 22, 2024, and four responses were received. The bids are detailed in the below table.

Bid No. 2024-182 (7/1/24 - 6/30/25)	#1 Dyed ULSD Diesel	#2 Dyed ULSD Diesel	Biodiesel (% over/under #2 ULSD)	Magellan's Cold Flow Improver
Agriland Fs Inc	\$0.0260	\$0.0280	-1.0%	\$0.0100
New Century FS (Growmark INC)	\$0.0600	\$0.0600	0.0%	\$0.0100
Petroleum Traders Corporation	\$0.0227	\$0.0381	15.0%	\$0.0200
Sunoco, LLC	\$0.0750	\$0.0300	15.0%	\$0.0300

Upon reviewing the four responses, the bid was determined to be competitive and reflective of current market conditions. CyRide performed a bid analysis using actual fuel usage quantities from July 1, 2023, through May 31, 2024. Based on the analysis, Agriland Fs Inc was determined to be the lowest overall bidder. A copy of the bid tabulation and bid analysis is attached for reference.

The Transit Board of Trustees approved award of contract to Agriland Fs Inc of Winterset, Iowa and the not-to-exceed amount listed below at their meeting on June 20, 2024.

ALTERNATIVES:

1. Award a contract to Agriland Fs Inc of Winterset, Iowa, for fuel purchases from July 1, 2024, until June 30, 2025, at a not-to-exceed amount of \$1,572,500.
2. Reject all bids and do not award a fuel contract.

CITY MANAGER'S RECOMMENDED ACTION:

The bid from Agriland Fs Inc of Winterset, Iowa reflects the lowest price for CyRide to purchase fuel for the FY2024-255 budget year while reducing administrative costs. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.

ATTACHMENT(S):

[Bid Tab and Cost Evaluation Attachment.pdf](#)