To: Chairman Nohe and the VRE Operations Board
From: Doug Allen
Date: November 16, 2018
Re: Authorization to Issue an Invitation for Bids for Delivery of Diesel Fuel for VRE Locomotives

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue an Invitation for Bids (IFB) for the delivery of diesel fuel to the Broad Run and Crossroads Maintenance and Storage Facilities for VRE’s fleet of locomotives.

Summary:

VRE contracts to have diesel fuel delivered and dispensed on weekdays from Contractor’s trucks directly into the locomotives. The final option year of the current contracts will expire on June 30, 2019, and therefore VRE seeks to solicit bids for this service so new contracts will be in place for fuel delivery to commence on July 1, 2019.

Background:

In May 2014, VRE awarded contracts to Griffith Energy Services for delivery of diesel fuel to Broad Run and to James River Solutions for delivery of diesel fuel to Crossroads, with deliveries beginning July 1, 2014. The final option year of these contracts will expire on June 30, 2019. Therefore, VRE seeks to solicit bids for this service so new contracts will be in place for fuel delivery to commence on July 1, 2019.
Invitation for Bids is the preferred and normal method of procurement when seeking bids to provide goods and services at a firm-fixed price. This method is utilized when there is a complete, adequate, precise specification or purchase description. Award is made based on price alone without discussions or negotiations with the Bidders.

Upon receipt of the bids, staff will return to the Operations Board to request authorization to award the contracts. It is anticipated two contracts will be awarded as a result of this solicitation, a contract for deliveries to Broad Run and a second contract for deliveries to Crossroads.

The contracts will be for a base period of one year with the option to extend for four additional one-year periods, not to exceed five years. Both contracts will be structured to allow VRE to lock in future fixed prices for some of its fuel. VRE continues to work with a consultant to assist in this process to reduce cost volatility.

**Fiscal Impact:**

There is no fiscal impact associated with the issuance of this solicitation. Funding for the resulting contract will be provided for in the FY 2020 budget for mechanical operations. Funding for future years will be included in each proposed annual budget.
Virginia Railway Express
Operations Board

Resolution
8A-11-2018

Authorization to Issue an Invitation for Bids for Delivery of Diesel Fuel for VRE Locomotives

WHEREAS, the contracts for delivery of diesel fuel for VRE’s locomotives will expire on June 30, 2019; and,

WHEREAS, to avoid an interruption in service it is necessary to solicit bids prior to expiration of the current fuel delivery contracts; and,

WHEREAS, the contracts will be structured to allow VRE to lock in future fixed prices for fuel; and,

WHEREAS, a solicitation for these services shall be initiated;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue an Invitation for Bids for the delivery of diesel fuel to the Broad Run and Crossroads maintenance and storage facilities for VRE’s fleet of locomotives.

Approved this 16th day of November 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary