To: Chair Bennett-Parker and the VRE Operations Board

From: Rich Dalton

Date: May 21, 2021

Re: Authorization to Execute a Contract for Delivery of Lubricating Oil for VRE Locomotives

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a contract with Cadence Petroleum Group of Ashland, Virginia, for the delivery of lubricating oil for VRE locomotives in the amount of $457,895, plus a 10 percent contingency of $45,790, for a total amount not to exceed $503,685. The contract will be for a base year and four option years, with the CEO exercising the option years at his discretion.

Summary:

VRE requires main engine, head end power engine, traction motor and air compressor lubricating products to be delivered to its Maintenance and Storage Facilities to support the operation of VRE’s fleet of locomotives. The current contract for this service expires in October 2021. Therefore, the term of the contract with Cadence Petroleum will commence upon expiration of the current contract.

Background:

VRE locomotives consume various types of lubricating oils. Therefore, routine bulk delivery to VRE’s Maintenance and Storage Facilities in Bristow and Fredericksburg, Virginia, is required.

On March 31, 2021, an Invitation for Bids (IFB) for the delivery of lubricating oil was issued. A mailing list of six prospective bidders was established for the solicitation to ensure access to adequate sources of services. Additionally, the IFB was advertised on eVA,
Virginia’s e-procurement portal. Bids were due on April 30, 2021, and three responses were received.

The bid tabulation is as follows:

<table>
<thead>
<tr>
<th>Bidders</th>
<th>Bid Amount (per Contract Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cadence Petroleum Group</td>
<td>$91,579.00</td>
</tr>
<tr>
<td>2. Jones Petroleum Services, LLC</td>
<td>$116,966.00</td>
</tr>
<tr>
<td>3. Quarles Petroleum, Inc.</td>
<td>$128,373.00</td>
</tr>
</tbody>
</table>

After review of the bids, it was determined Cadence Petroleum Group was the lowest responsive-responsible bidder. Staff has certified the price offered by Cadence Petroleum Group is fair and reasonable as compared to the cost estimate.

**Fiscal Impact:**

Funding for lubricating oil is provided through the FY2022 budget for locomotive repairs and maintenance.
Virginia Railway Express
Operations Board Resolution

7A-05-2021

Authorization to Execute a Contract for Delivery of
Lubricating Oil for VRE Locomotives

WHEREAS, VRE requires the delivery of main engine, head end power engine, traction motor and air compressor lubricating products to its Maintenance and Storage Facilities to support the operation of VRE’s fleet of locomotives; and,

WHEREAS, the current contract for the delivery of lubricating oil expires in October 2021; and,

WHEREAS, on March 31, 2021, an Invitation for Bids was issued and three bids were received on April 30, 2021; and,

WHEREAS it was determined Cadence Petroleum Group was the lowest responsive responsible bidder;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with Cadence Petroleum Group of Ashland, VA for the Delivery of Lubricating Oil for VRE Locomotives in the amount of $457,895, plus a 10 percent contingency of $45,790, for a total amount not to exceed $503,685. The contract will be for a base year and four option years, with the CEO exercising the option years at his discretion.

Approved this 21st day of May 2021

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Elizabeth Bennett-Parker
Chair

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James Walkinshaw
Secretary