MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Interim Executive Director

Date: January 28, 2024

Re: Resolution 2024-07 Purchase of Ultra Low Sulfur Diesel (ULSD #2) from Invitation to Bid 20241867 (ITB)

On July 27, 2023, the TARC Board of Directors authorized the award of Ultra Low Sulfur Diesel (ULSD #2) fuel to James River Solution (JRS) through a competitive procurement and reverse auction at the per gallon price of $2.6199. Subsequent to the execution of the contract and two months into the performance of such contract, JRS was not able to meet TARC's quantity and delivery demands consistently. JRS was placed on a 30-60-day improvement and remedy plan, and as of December 11, 2023, JRS failed to adhere to the expectations which resulted in the termination of the contract.

On January 9, 2024, an emergency fuel procurement was initiated through a request for quotes with the intent to supply TARC with ULSD #2 until end of February until a new solicitation could be publicized and awarded. The request was sent to all bidders and advertised in Bonfire. A total of five (5) bidders responded and Valor Oil provided the lowest price, and in turn, won the bid during this period.

On January 16, 2024, a new Invitation to Bid (ITB) 20241867 to purchase ULSD #2 for an 18-month supply was released with a bid end date of February 16, 2024. The public opening was held via zoom on February 16th and a total of six (6) vendors were deemed responsible and responsive. Valor Oil provided the lowest price for ULSD #2 fuel at a firm fixed-price per gallon price of $2.5934.

At this time, the Board of Directors is respectfully requested to authorize the Interim Executive Director to enter into an agreement with Valor Oil for an 18-month supply of ULSD #2 at a firm fixed-price per gallon of $2.5934.

Please call me at (502) 561-5100 if you have any questions. Thank you.

RESOLUTION 2024-07

Purchase of Ultra Low Sulfur Diesel (ULSD #2)

A Resolution authorizing the Executive Director to enter into an agreement with Valor Oil for a term of 18-months to supply ULSD #2 fuel:

WHEREAS, TARC conducted a lowest cost solicitation Invitation to Bid (ITB) 20241867 on January 19, 2024 with a public opening of bid on February 16, 2024; and,

WHEREAS, TARC received proposals from multiple vendors, with six (6) of the bids being deemed reasonable and responsive based on pricing analysis; and,

WHEREAS, after reviewing such proposals, TARC seeks to select Valor Oil due to its bid being the lowest price to supply ULSD #2 at $2.5934 per gallon; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Interim Executive Director is hereby authorized to enter into an agreement with Valor Oil for an 18-month term based upon the firm fixed-price per gallon of $2.5934 for ULSD #2 fuel.

ADOPTED THIS 28th DAY OF FEBRUARY 2024

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Ted Smith, Chair of the Board of Directors