

Date: April 27, 2022

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION NO. 22-04-24 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH BRETTHAUER OIL COMPANY (BRETTHAUER) FOR MOBILE R99 RENEWABLE HYDROCARBON (RHD) DIESEL FUEL FOR TRIMET’S LIFT AND WES 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 Bretthauer Oil Company (Bretthauer) for the procurement of mobile R99 Renewable Hydrocarbon Diesel (RHD) fuel for TriMet’s LIFT and WES 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)
- Request for Qualifications (RFQ)
- 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**

TriMet operates a fleet of approximately 285 paratransit mini-buses and vans (LIFT fleet) and six diesel Commuter Rail vehicles (WES fleet). Both fleets are currently fueled with a blend of Ultra-Low Sulfur Diesel (ULSD) and Biodiesel fuel (B100) that is blended in a 5% ratio (B5). As a result of testing engine performance and exhaust system cleanliness in these fleets, TriMet decided to transition from ULSD to Renewable Hydrocarbon Diesel (RHD)

fuel, blended with no more than 5% biodiesel. RHD is a non-petroleum based product that is manufactured from used restaurant grease and other agricultural products. Not only will the change to RHD reduce maintenance material and labor costs, but it also will reduce greenhouse gas emissions from TriMet’s LIFT and WES fleets by more than 60%, thus helping to achieve TriMet’s sustainability goal of a zero-carbon footprint for its LIFT and WES fleets.

Both the LIFT and WES fleets currently are fueled by a contracted mobile fueling service.

7. **Description of Procurement Process**

TriMet issued a Request for Proposals (RFP) on March 9, 2022, with proposals due on March 30, 2022. A total of 71 vendors were notified of the RFP via the TriP\$ website, and three vendors (Bretthauer, Fleet Fuels LLC, and Mansfield Oil Company of Gainesville) submitted proposals.

A Source Evaluation Committee (SEC) comprised of staff from TriMet’s Accessible Transportation Program; Purchasing; Safety & Security; Transit Equity, Inclusion & Community Affairs; and Legal departments reviewed and evaluated the proposals. 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 proposals, all three vendors were shortlisted to the competitive range, and the SEC opened their price proposals. Best and Final Offers (BAFOs) were not requested as the procurement is for a commodity, for which pricing will fluctuate.

Overall scores of the firms are summarized below:

	Possible Points	Bretthauer	Fleet Fuels	Mansfield
<i>Evaluation Criteria</i>				
Recruitment and Retention Approach	20	15.7	12.2	12.2
Workforce Diversity	5	2.7	4.2	3.3
Work Plan and Reliability Assurance	25	20.0	13.7	12.8
Technical Proposal Totals . . .	50	38.4	30.0	28.3
Price Proposal . . .	50	50.0	48.5	49.5
Total Score . . .	100	88.4	78.6	77.8
BAFO Pricing . . .		\$15,112,014	\$15,573,136	\$15,263,515

The SEC was unanimous in its decision to award the resulting contract to Bretthauer, which had the highest scores in both its Technical Proposal and Pricing. Further, because of its established local presence, adequate number of drivers and secure fuel supply, the SEC felt that Bretthauer is best suited to meet TriMet’s needs.

The proposed Contract will be for a 5-year term, with TriMet retaining the unilateral option to terminate for convenience, for any reason, during the 5-year term. Contract pricing is

based on the OPIS Net Wholesale B5 SME ULS No. 2 Biodiesel Contract Rack Average (Rack Rate) 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 Contract amount is:

Estimated Total Amount of Contract = \$15,112,014

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.

The total price of the Contract compares favorably (3.6% less) with TriMet's Independent Cost Estimate (ICE) of \$15,680,172 for a 5-year Contract term. The ICE was based on TriMet's current contract pricing (including escalation) for mobile biodiesel fuel.

8. **Diversity**

Bretthauer's 47-person workforce is 25.5% female and 14.9% minority. Subcontractors will not be used 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.

10. **Impact if Not Approved**

If this Resolution is not approved, TriMet would continue to use B5 ULSD for its LIFT and WES fleets. However, doing so would not achieve TriMet's goal of transitioning its vehicle fleets to a zero-carbon footprint. Further, re-solicitation of the Services is not likely to obtain better results in quality of proposals, or price. Moreover, Bretthauer 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 BRETTHAUER OIL COMPANY (BRETTHAUER) FOR
MOBILE R99 RENEWABLE HYDROCARBON DIESEL FUEL FOR TRIMET'S
LIFT AND WES VEHICLES**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Bretthauer Oil Company (Bretthauer) for the procurement of mobile R99 Renewable Hydrocarbon Diesel (RHD) fuel for TriMet's LIFT and WES vehicles (Contract); and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize goods and services 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 \$15,112,014 through the April 30, 2027 Contract term.

Dated: April 27, 2022

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department