



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** January 26, 2021

**DATE:** January 5, 2021  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Benny Austin, AVM Senior Manager  
Daniel Alter, AVM Fleet Manager  
Levi Clark, MM Fleet Manager

**SUBJECT: Contract to Provide Fleet Fuel Cards for Port of Seattle Fleet Vehicles**

**Amount of this request:** \$1,500,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute an agreement between Port of Seattle and a vendor to provide Fleet fuel cards for the Aviation, Maritime, and Corporate Divisions. This will provide Fleet cards for fueling off-site, car washes, roadside assistance, and other automotive related items. The contract amount shall not exceed \$1,500,000 and seven years.

**EXECUTIVE SUMMARY**

The Aviation Division, Maritime Division and Environmental Department are partnered in developing the Sustainable Fleet Plan. This plan incorporates three objectives; meeting the operational needs of the divisions, reducing fleet cost, and reducing greenhouse gas (GHG) emissions from fleet vehicles. This plan will reduce but not eliminate greenhouse gases in the near term. As such, this contract is a component of and supports the Port Sustainable Fleet Plan.

Authorization would allow the Port to replace an expiring contract for our fleet vehicles. This new contract will provide fleet fuel cards for fueling off-site, car washes, roadside assistance, and other automotive related items. Fleet fuel cards are utilized to reduce labor spent traveling back to onsite fuel locations when staff are working off-site. Currently, the fleet fuel card program dispenses 36,900 gallons of fuel and consists of 2,100 transactions per year. With a new longer-term contract, we anticipate expanding the fleet fuel card program to increase shared vehicle use at the Port.

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**JUSTIFICATION**

This will replace a contract that expires in 2021 which will allow for continued operations.

***Diversity in Contracting***

We have reached out and are working with the Diversity in Contracting Department to establish goals.

**DETAILS**

- (1) The current contract is expiring mid-year 2021.
- (2) Fleet fuel cards provide a critical backup to on-site fueling.
- (3) Fleet fuel cards reduce travel and labor time avoiding the need for staff to return to on-site fuel locations for certain work groups.

***Scope of Work***

Provision of Fleet fuel cards for the Port of Seattle fleet vehicles.

***Schedule***

*Activity*

In-use date	2021 Quarter 3
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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Allow fleet fuel card contract to expire. Fleet vehicle and equipment users would be required to utilize central Port-owned fuel locations.

Cost Implications: Labor time to fuel will increase due to travel to Port fuel locations by an estimated 1,050 labor hours per year amongst various departments.

Pros:

- (1) More on-site fueling allowing use of potential of more alternative fuels.
- (2) Potential for reduced cost per gallon.

Cons:

- (1) Does not meet operational needs and would increase personal reimbursement.
- (2) Eliminates current backup to on-site fueling which can affect future operations.

This is not the recommended alternative.

**Alternative 2** – Vendor provides fueling services to fuel Port vehicles and equipment.

Cost Implications: Cost would increase by about \$.25/gallon or \$9,225/year.

Pros:

- (1) Reduction of Port labor time spent refueling Port vehicles and equipment.
- (2) No need to maintain fuel card contract and administration.

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Cons:

- (1) Vendor equipment and personnel would have to have access to Port property.
- (2) Increase in cost and complexity to refuel vehicles on an individual basis.
- (3) Difficult to correctly schedule enough without over-scheduling, increasing cost.
- (4) Additional risk of spills and fuel releases from mobile tanker.
- (5) Some Port properties do not allow wet hose/mobile fueling due to environmental regulations.

This is not the recommended alternative.

**Alternative 3** – Establish a new long-term contract for fleet fuel cards.

Cost Implications: Costs should remain consistent with the current state as the Port currently has a fuel card contract.

Pros:

- (1) Supplements the on-site fueling program in case we must close a fuel site for maintenance.
- (2) Allows for work groups who are not located near a Port fuel site (Fisherman’s Terminal, Terminal 91, Shilshole Bay Marina, etc.) to fuel quickly at nearby public fuel sites.
- (3) Provides work crews a way to fuel vehicles and equipment in-route to Port job sites without having to return to Port on-site fueling locations.
- (4) Can be used to eliminate personal reimbursements for fueling Port take home vehicles.

Cons:

- (1) Price per gallon is generally higher than our on-site fuel price, but the Port’s price per gallon is not fully inclusive of the expense associated with owning and maintaining Port-owned fuel sites.
- (2) Alternative fuels are often not available at public fuel stations.
- (3) Fleet staff must reconcile transactions and manage card issuance.

**FINANCIAL IMPLICATIONS**

This will not increase cost to the Port as this is replacing a current fuel contact. Cost is expected to stay similar and fluctuate based on fuel consumption and price per gallon.

***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$0	\$1,500,000	\$1,500,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$0	\$1,500,000	\$1,500,000
Total authorizations, including this request	\$0	\$1,500,000	\$1,500,000

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Remaining amount to be authorized	\$0	\$0	\$0
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***Annual Budget Status and Source of Funds***

Fuel cost is an annually budgeted item for AVM, Fire, and MM through the Port budget process.

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None