

## COST ANALYSIS FOR THE PURCHASE OF A RED DYED DIESEL FUEL OFF OF CA NO. 53315

Reasons for Fleet using the Omnia Partners Cooperative Purchase Agreement No. 53315 for Red Dyed Deisel Fuel versus the contract currently being put in place for other departments.

1. One of the main reasons for not utilizing the contract which is being put into place for other departments is that the vendor on the bid is proposing a price above OPIS pricing of .15 cents per gallon for Transport (large loads) and .25 cents per gallon for Tankwagon (small loads).
2. Current OPIS price is \$1.97 per gallon (\$14,775) per delivery and to add a markup of .15 will add an additional cost of \$1,125.00 per delivery.
3. Currently, Fleet is not paying a markup on OPIS pricing for red dyed diesel.
4. Fleet is the biggest user because it's being used mainly to service all equipment at the Landfill and a load of 7500 gallons is delivered weekly to maintain the landfill. The other departments used red dyed diesel only for generators at the Treatment plants so historically their needs and usage has been quite different from that of Fleets.
5. Also, the quantity on the bid is too low for Transport, it should reflect 400,000 gallons. When the bid started about 2 years ago, 150,000 gallons probably was the usage but the usage has recently increased because more equipment is being converted to red dyed diesel.
6. There are reduced freight charges with this Cooperative agreement.
7. There is an added benefit of access to multiple other products and product lines.