

## Fuel Bid Research Information and Recommendation

August 14, 2017

The following information has been gathered with regard to the questions raised at last month's meeting concerning the quality of Red Dye Fuel that the District received in on-site deliveries this past year.

### Added Cost

If the District were not to accept the low bid the additional cost (\$0.07/gallon) of the other bid for the amount of fuel we used this year (\$88,656) would be **\$6,091**.

### Fuel Filters

One major concern from the Transportation Department was the increase in the number of fuel filters used. In looking into this we found that there were approximately 72 fuel filters used this past year at a cost of \$1,525. Last year we used 44 fuel filters.

The last time Bailey Oil fueled our busses on site was in 2011-12. The cost of fuel filters that year was only \$883.

### Fuel Injector Damage

The fuel injectors on one of our new busses were replaced under warrant. The company that did the repairs indicated that the damage was caused by the fuel. The Transportation Department has had to replace the fuel injectors on a number of other busses as well this year.

### Fuel Quality

The concern over the quality of fuel that we received from Lynch Oil was discussed on numerous occasions with the supplier. In at least two incidents there was over a quart of water in a five gallon draw of fuel from the bottom of the fuel tanks of two different busses, one in January and one in May.

The following language concerning fuel quality is from the Invitation to Bid for **Fuel Bids 2017** in the Bids & Legal section of our website:

*"DIESEL FUEL SPECIFICATIONS*

- 3. Fuel samples may be pulled and tested to ensure fuel quality monthly. We reserve the right to change suppliers if fuel quality is not met."*

### Conclusion

This past winter had some of the worst weather in decades. While the quality of fuel seems to have been decreasing over the past couple of years, the weather factor certainly had an impact on the issues that we experienced this year. While we did use more fuel filters than the past year, again that could have been attributed to the weather.

### Recommendation

It is my recommendation that the Board accept the low bid from Lynch Oil. I would also recommend that we meet with their representative and identify what samples may be pulled and how they will be tested. The following quality control suggestions would be considered.

## **Quality Control Procedures**

1. A five gallon sample of fuel will be drained from three random busses filled with Lynch Oil fuel each month. If there is more than one quart of water in any of the samples then the fuel will be considered sub-standard. If we receive sub-standard fuel for three consecutive months then we will consider changing suppliers. We would ask for the supplier to agree to this procedure in writing.
2. We have two new busses that have not been fueled by either company. It is recommended that one of these busses be filled only with Bailey Oil fuel and that it be tested each month as outlined above. This will provide us with comparative data concerning the quality from both suppliers.

Please contact me if you have any questions or concerns.

Respectfully Submitted,

Dr. Kenneth Cox, Superintendent