



Meeting Date: May 19, 2026
Consent Agenda: Gasoline/Fuel Delivery Contract Amendment

BACKGROUND:

On August 19, 2025, the Board of Directors approved a one-year contract with Colonial Oil Industries, Inc. for gasoline fuel delivery services for the period August 21, 2025 through August 20, 2026, with a not-to-exceed amount of \$225,000. This authorization was based on an estimated annual consumption of approximately 150,000 gallons of unleaded gasoline at then-prevailing wholesale market prices plus a fixed delivery differential.

HIGHLIGHTS:

Wholesale gasoline prices have increased significantly and remain highly volatile, exceeding original budget assumptions, particularly in March and April. Fuel demand is also rising due to expanded support vehicle use, increased paratransit service, and new microtransit vehicles entering service this summer. Staff therefore recommends increasing projected fuel needs and incorporating a contingency to address continued price volatility through a revised not-to-exceed amount.

Fuel Cost Summary and Projection

Actuals

- **Aug 2025 – Mar 2, 2026 (7 months):**
~\$199,000 total
 - Fuel: ~\$156,500 (82,000 gallons @ ~\$1.91/gal)
 - Delivery fees: ~\$42,500
- **Mar 2 – Apr 29, 2026 (2 months):**
~\$64,000 total
 - Fuel: ~\$54,000 (19,000 gallons @ ~\$2.83/gal)
 - Delivery fees: ~\$10,000

Projected Through August 2026

- **Estimated demand:** ~65,000 gallons over ~15 deliveries
- **Fuel cost:** ~\$184,000 (@ ~\$2.83/gal)
- **Delivery fees:** ~\$34,000
- **Baseline projection:** ~\$218,000
- **Contingency:** \$130,000
 - Based on ~\$65,000 impact per \$1.00/gal increase, up to \$2.00

Requested Change

- **Total Increase Requested:** \$386,000 (Revised Contract Amount: \$611,000)
 - **March–April overage:** \$38,000
 - **Remaining baseline (May–Aug):** \$218,000
 - **Contingency:** \$130,000

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Office (CEO) to approve a change order to the gasoline fuel delivery services contract with Colonial Oil Industries, Inc., increasing the not-to-exceed amount to \$386,000 to cover projected fuel expenditures through August 20, 2026, and authorize the CEO to execute all necessary documents related thereto.

Ellen Robertson, Secretary
GRTC Board of Directors

Date