

112 MLC



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

25 Capitol Street – Room 100
Concord, New Hampshire 03301
(603) 271-3201 Office@das.nh.gov

Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

December 21, 2022

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

Pursuant to the provisions of MOP 150 VII, C, the Department of Administrative Services (DAS) has entered into a contract (Contract #8002259) with Dennis K. Burke, Inc. (VC#174496) for fuel, gasoline, and diesel delivery, totaling \$35,804,575.50 which will result in a financial benefit to the State. The term became effective upon the Commissioner of the Department of Administrative Services approval on December 1, 2022 through November 30, 2025.

Funding shall be provided through individual agency expenditures, none of which shall be permitted unless there are sufficient appropriated funds to cover the expenditure.

EXPLANATION

Manual of Procedures section 150 VII, C allows the DAS to enter into a commodities contract without Governor and Executive Council approval under certain conditions. DAS exercised this option under section b “The immediate procurement of commodities would result in a financial benefit to the State which would not be obtained if a delay in procurement were to occur”.

The Department of Administrative Services, through the Bureau of Purchase and Property, went out to bid utilizing RFB #2614-23, which closed on November 22, 2022. This solicitation reached 60 vendors; an additional 11 vendors were sourced, but only one compliant response was received. Due to market volatility, DAS and the Department of Transportation agreed to delay this solicitation to see if market conditions would be more favorable to the State.

In consideration of the volatility of the market, this contract can be terminated within 30 days under P-37. If the market shifts and exceeds the following triggers, the State has the option to go out and bid via a new solicitation.

\$1.9999 as a low point for Conventional Gasoline

\$1.9999 as a low point for Reformulated Gasoline
 \$2.9999 as a low point for Diesel Premium
 \$2.9999 as a low point for Premium B5 Biodiesel

DAS entered into this contract benchmarking the fuel index price including mark-up (rack rate) vs. fixed price anticipating that it would result in a cost avoidance of approximately \$1.6 million comparing rack rate vs. fixed rate. The State also reserves the right to exercise a price lock based on established triggers defined herein. Please refer to the following table for further detail.

Gasoline OPIS Index Pricing Including Mark-up				
County	Mark-up + Rack Rate	Price/Gallon	Estimated Annual Gallons	Estimated Annual Cost
Coos	0.1442 + 2.3971	\$2.5413	178,000	\$452,351.40
Grafton	0.1442 + 2.3971	\$2.5413	218,000	\$554,003.40
Carroll	0.1442 + 2.3971	\$2.5413	105,000	\$266,836.50
Belknap	0.1442 + 2.3971	\$2.5413	179,000	\$454,892.70
Sullivan	0.1442 + 2.3971	\$2.5413	75,000	\$190,597.50
Cheshire	0.1442 + 2.3971	\$2.5413	90,000	\$228,717.00
Merrimack	0.0642 + 2.3971	\$2.4613	548,000	\$1,348,792.40
Hillsboro	0.0642 + 2.3971	\$2.4613	190,000	\$467,647.00
Strafford	0.0642 + 2.3971	\$2.4613	200,000	\$492,260.00
Rockingham	0.0642 + 2.3971	\$2.4613	255,000	\$627,631.50
Sub Total			2,038,000	\$5,083,729.40
Diesel OPIS Index Pricing Including Mark-up				
County	Mark-up + Rack Rate	Price/Gallon	Estimated Annual Gallons	Estimated Annual Cost
Coos	0.0592 + 3.4319	\$4.0239	202,000	\$812,827.80
Grafton	0.0592 + 3.4319	\$4.0239	299,000	\$1,203,146.10
Carroll	0.0592 + 3.4319	\$4.0239	136,000	\$547,250.40
Belknap	0.0592 + 3.4319	\$4.0239	98,000	\$394,342.20
Sullivan	0.0592 + 3.4319	\$4.0239	70,500	\$283,684.95
Cheshire	0.0592 + 3.4319	\$4.0239	73,000	\$293,744.70
Merrimack	0.0292 + 3.4319	\$3.7239	291,000	\$1,083,654.90
Hillsboro	0.0292 + 3.4319	\$3.7239	145,000	\$539,965.50
Strafford	0.0292 + 3.4319	\$3.7239	176,000	\$655,406.40
Rockingham	0.0292 + 3.4319	\$3.7239	278,500	\$1,037,106.15
Sub Total			1,769,000	\$6,851,129.10
Estimated Annual Total				\$11,934,858.50
* Rack rates are published daily via Oil Price Information Service (OPIS) as of 11/29/2022				
Gasoline Fixed Price				
County		Price/Gallon	Estimated Annual Gallons	Estimated Annual Cost
Coos		\$3.0492	178,000	\$542,757.60
Grafton		\$3.0492	218,000	\$664,725.60
Carroll		\$3.0492	105,000	\$320,166.00
Belknap		\$3.0492	179,000	\$545,806.80
Sullivan		\$3.0492	75,000	\$228,690.00
Cheshire		\$3.0492	90,000	\$274,428.00
Merrimack		\$3.0492	548,000	\$1,670,961.60
Hillsboro		\$3.0492	190,000	\$579,348.00
Strafford		\$3.0492	200,000	\$609,840.00
Rockingham		\$3.0492	255,000	\$777,546.00
Sub Total			2,038,000	\$6,214,269.60
Diesel Fixed Price				
County		Price/Gallon	Estimated Annual Gallons	Estimated Annual Cost
Coos		\$4.1742	202,000	\$843,188.40
Grafton		\$4.1742	299,000	\$1,248,085.80
Carroll		\$4.1742	136,000	\$567,691.20
Belknap		\$4.1742	98,000	\$409,071.60
Sullivan		\$4.1742	70,500	\$294,281.10
Cheshire		\$4.1742	73,000	\$304,716.60
Merrimack		\$4.1742	291,000	\$1,214,692.20
Hillsboro		\$4.1742	145,000	\$605,259.00
Strafford		\$4.1742	176,000	\$734,659.20
Rockingham		\$4.1742	278,500	\$1,162,514.70
Sub Total			1,769,000	\$7,384,159.80
Estimated Annual Total Index Price				\$11,934,858.50
Estimated Annual Total Fixed Price				\$13,598,429.40
Projected Annual Cost Avoidance Index Pricing vs. Fixed Pricing				\$1,663,570.90

Based on the foregoing, I am respectfully submitting notification and acknowledgement of the approved waiver for the aforementioned contract.

Respectfully submitted,



Charles M. Arlinghaus
Commissioner



Division of Procurement Support Services
Bureau of Purchase Property

Gary S. Lunetta
Director
(603) 271-2201

RFB Bid Summary

Bid Description	Fuel Gasoline & Diesel on road premium	Agency	Statewide
RFB#	2614-23	Requisition#	N/A
Agent Name	Ryan Godin	Bid Closing	11/22/2022

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Bureau of Purchase Property

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