



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting October 13, 2026

DATE : October 7, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Daniel Alter, Mgr AV Maint-Fleet
Mike Tasker, Dir AV Maint
Eric Schaefer, Asst Dir Aviation Maint
Louis Ekler, Asst Mgr AV Maint-Fleet

SUBJECT: Bulk Fuel Contract

Amount of this request: \$10,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to establish budget authority of \$10,000,000 million and contracting authority for one or multiple vendor agreements to supply fuel commodities and fueling services for a five-year period.

EXECUTIVE SUMMARY

The current fuel contract's budget authority is forecasted to be financially exhausted during 2027, and a singular or multiple contracts must be executed in 2026 to ensure continued fueling support for Port of Seattle fleet operations, emergency response assets, and stationary generators.

JUSTIFICATION

The contract(s) will be used for Port vehicles equipment and will supply required fuel including renewable diesel.

Diversity in Contracting

Diversity in Contracting reviewed the scope of work and the available marketplace and believe that there are not enough WMBE firms in the area that perform this type of work to reasonably justify setting a WMBE participation goal. In addition, subcontracting does not present a viable option for this project.

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DETAILS

The Aviation Maintenance Division, in coordination with Marine Maintenance, seeks Commission authorization for a new five-year bulk fuel contract(s) to ensure uninterrupted fueling across Port operations. The current contract is forecasted to be depleted in 2027, requiring execution of a new agreement in 2026 to maintain reliable support for fleet vehicles, emergency response units, stationary generators, and all Aviation and Maritime fueling locations. The prior contract exhausted early primarily due to higher than anticipated use of emergency fuel for maintenance and repairs.

The new contract(s) will supply a full range of conventional and renewable fuels—including gasoline, diesel, biodiesel, renewable diesel, R99, renewable gasoline, propane, and renewable propane and will provide essential fueling services such as bulk delivery, onsite fueling, wet hosing, and emergency response fueling during severe weather or operational disruptions.

In alignment with the updated scope, the contract(s) will also include the option of comprehensive fuel quality management through routine fuel testing, laboratory analysis, fuel polishing, fuel additive application during bulk drops and long-term storage, remote tank monitoring and scheduled generator fuel testing and servicing to ensure emergency power systems remain prepared and compliant.

The contract(s) will offer flexibility to incorporate emerging alternative fuels as they become available. Estimated expenditures total approximately \$10,000,000 million over five years, supporting operational readiness, fuel reliability, and sustainability goals consistent with the Port’s Sustainable Fleet Plan.

Approval will enable the Central Procurement Office to conduct a competitive process and secure vendors that provide best value, stable fuel supply and comprehensive fuel quality services.

Purchases from Year over Year

The chart below shows fuel purchases from the last twelve months. This has been a low usage period due to a low number of emergency fuel needs (typically needed for emergency power via generators and major snow events).

Item Code Desc	Quantity	Avg. Price	Sale Amt.
87 Gasoline	142,042.30	\$3.91	\$555,478.41
Renewable Diesel 99%	46,761.80	\$4.42	\$206,794.29
#2 Diesel Offroad	3,820.70	\$4.06	\$15,494.87
Total Gallons 9-26-25 to 9-25-26	192,624.70		\$793,104.63

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Scope of Work

The bulk fuel contract(s) will provide a full range of fuel products including gasoline, diesel, biodiesel, renewable diesel, and emerging alternative fuels. Services cover delivery to all Aviation and Maritime fuel sites, ensuring uninterrupted availability for fleet vehicles, emergency response requirements for inclement weather, emergencies, and generator systems.

The contract(s) will include emergency fueling capability, enabling rapid onsite refueling during severe weather or operational emergencies. The contract(s) will also provide fuel testing, quality analysis, and fuel polishing services to maintain storage integrity and ensure reliable performance of both underground, above ground, and emergency generators.

Supporting services include the use of fuel additives during deliveries or for long term storage to prevent contamination, degradation, or cold weather issues. The contract(s) will also include generator fuel testing, remote fuel monitoring, and service to verify fuel quality and ensure backup power systems fuel is operationally ready.

Schedule***Activity***

In-use date	Q1 2027
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Cost Breakdown

	This Request	Total Request
Total	\$10,000,000	\$10,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Use public fuel locations in lieu of on-site fueling and vendor services.

Cost Implications: Fuel costs would increase, with lost labor time estimated at 3,750 hours spent traveling to and from public local fuel sites.

Pros:

- (1) Reduction of fuel stored on-site, reducing environmental concerns.
- (2) No need to maintain fuel infrastructure or spend money on inventory.

Cons:

- (1) Increase in labor cost and complexity to refuel vehicles on an individual basis.
- (2) Not all Port equipment is road legal and would extend downtime for possible critical equipment waiting on remote fueling.
- (3) This alternative is reliant on public fuel locations in emergency cases.
- (4) The Port would need to issue more Fleet fuel cards which complicates our ability to reconcile fueling, reduces data being collected, increases exposure to fraud, and reduces or eliminates the Port's ability to procure alternative fuel vehicles.

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- (5) Non road legal and specialty equipment would need fuel delivered to individual vehicles or groups, increasing cost per gallon and complexity of operations.
- (6) 5,000 on-site fueling transactions would be moved to public fuel sites.
- (7) Sustainable lower CI fuels are not readily available.
- (8) Does not meet the full scope of desired contract meaning onsite generators would not be refueled.

This is not the recommended alternative.

Alternative 2 – Vendor provides services to fuel Port vehicles and equipment: fuel vendor would come on site with a fuel tanker to refuel Port vehicles on a scheduled basis.

Cost Implications: Cost would increase per gallon by about \$.50/gallon or about \$150,000/year.

Pros:

- (1) Reduction of Port labor time spent refueling Port vehicles and equipment.
- (2) No need to maintain fuel infrastructure or spend money on inventory.

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 supply without over-scheduling, increasing cost.
- (4) Additional risk of spills and fuel releases from mobile tankers.
- (5) Some Port properties do not allow wet hose/mobile fueling due to environmental regulations.
- (6) Lacks flexibility to provide fuel as needed.

This is not the recommended alternative.

Alternative 3 – Execute a singular or multiple agreements between Port of Seattle and vendor(s) (cooperative agreement or competitive process) to provide fuel and fuel services to be used by gasoline or diesel-powered equipment including Fleet for both the Aviation and Maritime fuel locations.

Cost Implications: Would stay the same as the current state as the Port currently has a contract for fuel.

Pros:

- (1) Proven effective for current operations.
- (2) Port can select the type of fuel used in vehicles and equipment.
- (3) Provides options for alternative lower CI fuels to allow higher rate of use.
- (4) Increases resiliency by giving options for onsite fuel quality checks and polishing.
- (5) Lowest cost option.

Cons:

- (1) Requires use of storage and space for onsite fuels.
- (2) Requires ongoing maintenance of Port fuel site infrastructure.

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This is the recommended alternative.**FINANCIAL IMPLICATIONS**

This will not increase cost to the Port as this is replacing a current fuel contract. Cost is expected to stay similar and fluctuate based on fuel consumption and price per gallon. The fuel cost expenses will be included in the annual operating budget.

Cost Estimate/Authorization Summary

Capital

Expense

Total

COST ESTIMATE			
Original estimate	\$0	\$10,000,000	\$10,000,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	\$10,000,000	\$10,000,000
Total authorizations, including this request	0	\$10,000,000	\$10,000,000
Remaining amount to be authorized	\$0	\$0	\$0

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

The previous fuel contract was approved for \$7.75 million for seven years at the January 21, 2021 Commission meeting and is running out of funds earlier than initially projected.