



Budget Office

CITY OF PHILADELPHIA

April 21, 2023

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised by Councilmembers regarding the Proposed FY24 Operating and Capital Budget.

Councilmember Jones: What is the 2019 pricing for the City's Fuel Contract? How much are we saving as a result of this contract?

Response: The current fuel contract is effective through June 30, 2024, with an optional one-year renewal remaining.

Initial fuel contract pricing in 2021 (1st term of the contract):

Price	Delivery	Unit Price
Gasoline	Tank	1.2617
Gasoline	Transport	1.2617
5% Biodiesel	Tank	1.3149
5% Biodiesel	Transport	1.3149

Current fuel pricing through June 30, 2024:

Price	Delivery	Unit Price
Gasoline	Tank	2.5981
Gasoline	Transport	2.5341
5% Biodiesel	Tank	3.0030
5% Biodiesel	Transport	2.8724

The fuel market is and has been volatile due to the War in Ukraine as well as continued supply chain impacts from COVID-19. While the City would ideally like to see savings associated with hedging fuels, the primary goal of hedging is to provide budget stability, which is what we have been able to achieve with our contracted fuel pricing.



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Councilmember Jones: What is the inflationary factor of construction for public works, supply services, and equipment?

Response: The Procurement Department has taken strategic measures to address the inflation impacts on services, supplies and equipment by performing open market competitive pricing through informal bid solicitations, piggybacking state contracts, and participating in cooperative purchase programs to ensure the City's cost savings are optimal. We continue to be innovative in our purchasing methods by way of pre-qualifying vendors to obtain certain commodities at current market rates, such as (PPE, software, office automation).

Council President Clarke: What is the participation range for the Triplex Facilities Improvements Project?

Response: The RFP lists MBE Ranges 26% - 31% and WBE Ranges 16% - 21%.