



City of Vallejo Transportation Division

Fuel Surcharge Implementation Procedure

On May 20, 2008 the Vallejo City Council passed Resolution 08-81 approving a fare increase and fuel surcharge for the Baylink Ferry and Vallejo Transit Regional Bus system. A fuel surcharge may be implemented when the actual average price per gallon (ppg) of fuel of the proceeding three months exceeds the yearly budgeted ppg for fuel.

This procedure sets forth how the authorized fuel surcharge will be implemented.

Price Per Gallon (PPG) of Fuel

The City of Vallejo's transit operations fuel price is determined by a contracted price with Redwood Coast, which is based on the Oil Price Information Service (OPIS) average rack rate. The OPIS is a company that surveys fuel prices daily at the wholesale level and develops a weekly average rack rate or price per gallon. The average rack rate is sent to the Transportation Division's Procurement Analyst on Thursdays and it represents the set price of fuel for the following Sunday – Saturday period.

Average Price Per Gallon (PPG) of Fuel will be determined by the formula below:

The Procurement Analyst will add all weekly ppg fuel costs paid during the quarter, including all taxes and divide by the number of weekly price changes during the quarter to determine the average ppg of fuel for the proceeding quarter. If the product of the above formula is greater than the budgeted price per gallon for the year, the Transportation Superintendent, with support from City staff, will make the determination whether or not to institute a fuel surcharge per the calendar below.

Public Notification of Average Price Per Gallon (PPG) of Fuel

The Contract Administrative Analyst will notify all contractors and vendors and have the fuel surcharge determination/information posted using the attached Fuel Surcharge Form to the Vallejo Transit website, on the ferries and buses and conspicuously at all locations where tickets are sold. The form will be updated on a monthly. If the average ppg allows for implementation of a fuel surcharge, the form will be placed in all bus and ferry seats on the 15th day of the month following calculation of the quarterly average ppg.

Public Calendar

- Monthly Public Notification (website and postings) – by the 15th each month
- Quarterly Action to implement surcharge or not - by 6/15/08, 9/15/08, 12/15/08, 3/15/09
- Effective date of Fuel Surcharges if needed – 7/1/08, 10/1/08, 1/1/09, 4/1/09



Vallejo Fuel Surcharge Information

Based on the information provided below, the City of Vallejo

_____ Will

XXX Will Not

Implement a Fuel Surcharge effective 1st of October 2008

Budgeted Price Per Gallon

\$4.00

Actual Average Price Per Gallon

June \$4.23

July \$4.25

August \$3.63

Quarterly Average Price Per Gallon

\$4.04

If you have any questions regarding the information provided above, please visit our website at www.vallejotransit.com or contact the Transportation Division at 707.648.4315.


Crystal Odum Ford,
Transportation Superintendent

9/30/08
Date