

DEPARTMENT OF GENERAL SERVICES

STATE MOTOR FUEL *connection*

A PUBLICATION FOR COMMONWEALTH FUEL
PURCHASERS AND USERS

Pricing Trends for Gasoline

2012 Fall Issue

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This has been a pricey year for gasoline with the average cost per gallon breaking U.S. monthly records in January, February, March and April. Oil rose about 25% from late June through late August which kept prices high. On October 1, 2012, the national average price was \$3.78 per gallon which was 16 cents higher than the previous record for the date set in 2008.

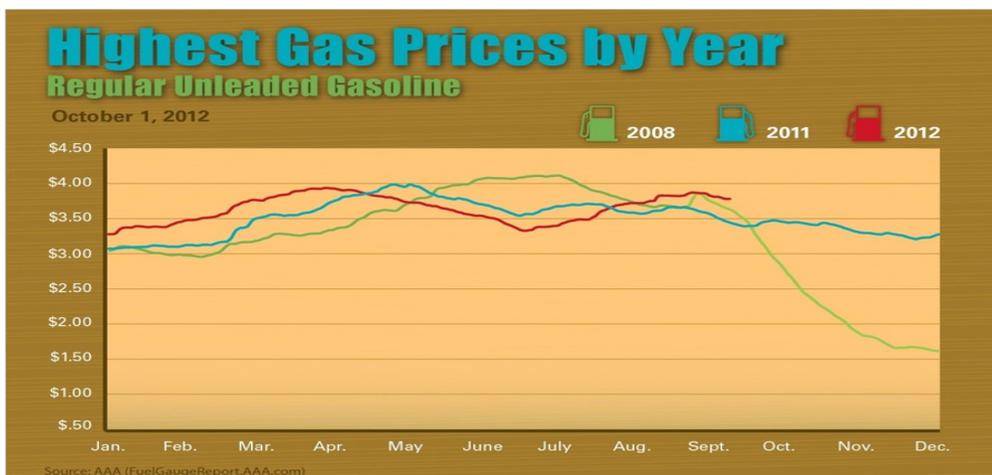
Prices are at or above \$4.00 per gallon in Alaska, California, Connecticut, Hawaii, New York and Washington.

The lowest prices, which range from \$3.546/gallon to \$3.656/gallon are in Texas, the lower Midwest and the South, according to AAA, Wright Express and OPIS.

Typically, gasoline prices drop heading into fall as the summer driving season ends, demand slows and refineries switch to winter blend fuel that is less costly to produce. This year however, hurricane Isaac disrupted production with power outages and floods in several Gulf Coast refineries. Then a major fire

shut down Chevron's Richmond refinery in California which took an important West Coast supplier out of service, temporarily.

Tom Kloza, Chief Oil Analyst at OPIS, believes it will probably be a few more weeks before supplies build back up in certain markets to lead to a noticeable decline in pump prices, but he predicts gasoline prices will drop into the range between \$3.25/gallon to \$3.50/gallon by Thanksgiving.





Messages from SMFP Vendors

JAMES RIVER SOLUTIONS—*New Procedures for Bulk Fuel Orders*

Please place orders via email to Orders@jrpetro.com and include:

- Delivery address
- Product and Gallons
- Contact name and number

JRS will confirm receipt of email and provide delivery information.

MANSFIELD OIL COMPANY—*Voyager Fuel Card Accounts*

When contacting Mansfield Oil Co., regarding your Voyager Fuel Card account, please supply your account number and/or complete card number. Also, please update MOC with account changes, including address or contact information changes.

Working Together

The **STATE MOTOR FUEL PROGRAM** began October 6, 2010 which was the day its contracts went live. With the completion of two successful years of operation, we look forward to the continued growth of the Program as it serves the agencies, localities and qualifying organizations of the Commonwealth of Virginia.

Our mission has not changed. We are working together to reduce the burden of fuel purchases by streamlining the procurement process, by increasing accountability and transparency and by aggregating motor fuel volume to lower costs for all.

For additional information, please contact:

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Did You Know?

The **STATE MOTOR FUEL PROGRAM** vendor for the Ferries/Boats contract, #E 194-782, is Papco, Inc. of Virginia Beach. Per the contract, Papco provides deliveries to four different boats crossing the James River from Jamestown, Va. to Surry, Va. on varying daytime schedules. The fuel delivery plan has Coast Guard approval.

EMERGENCY FUEL ORDERS are deliveries that must come from an alternative terminal area due to reasons beyond the control of the Commonwealth and its vendors. Emergency fuel orders may result from an industry-wide supply issue or a weather-related event. A “rush order” which is a delivery request with less than 24 hours notice, is not the same as an “emergency fuel order.” Emergency fuel orders require approval from the requesting agency/locality prior to delivery due to the additional costs involved.

For additional information, please consult the State Motor Fuel Program-Bulk Fuel Price List, Service Fee Notes, on the OFMS website; www.dgs.virginia.gov/fleet.

Voyager Fuel Cardholders can call 1-800-987-6591 for assistance at the pump or to report a lost, stolen or damaged card after business hours. This number is on the back of the Voyager fuel card.

The 2012-2013 U.S. WINTER WEATHER FORECAST, just out from the Old Farmer’s Almanac, predicts cold and snow for the eastern half of the country, that typically gets snow, but warm and dry conditions for the western half :

- Cold and snowy for the Northeast
- Colder than normal with mixed snow, sleet and rain for the East coast
- Wet and chilly for the Southwest
- Drier than normal for the Rocky Mts. and Midwest



Fuel Deliveries: Loading at the Terminal

All motor fuel products for the State Motor Fuel Program are delivered from a bulk plant (terminal) that is a distribution point for petroleum products. The bulk plant consists of loading racks at which fuels are dispensed from a number of large storage tanks to transport or tank wagon trucks for delivery to the customer's above or underground tanks.

At the rack, fuel is loaded into the compartments of the transport vehicle through either top loading or bottom loading designs. Top loading requires the driver to observe from on top of the truck, as the fuel goes into each compartment through open domes or hatches. The driver manually operates a self-closing valve that controls the filling operation.

A bottom loading design has safeguards in place so the driver does not have to get on top of the truck. These include a preset delivery meter that automatically shuts off when a preset amount, entered by the driver, is delivered into the tank and an automatic shutoff device that stops the flow of fuel when the tank is full.

The entire loading operation is monitored and supervised from a control tower. Dispatching and accounting functions are carried out in close coordination.

Usually fueling a truck for delivery is a routine process, but if there is a fuel shortage or impending bad weather, it is not uncommon for delivery trucks to get in long lines at the terminal waiting for access to the racks which is on a first-come, first-served basis.

