

Release date: May 2, 1996

For more information contact:

Mike Fergus, DOE, (509) 373-9154, p_m_mike_fergus@rl.gov

Mike Berriochoa, WHC, (509) 376-5742, m_v_mike_berriochoa@rl.gov

DOE

FIRST-TIME COMMERCIAL AUTO FUEL SERVICES AVAILABLE ON HANFORD SITE

The R.H. Smith Distributing Company of Grandview, Washington, has been selected by the U.S. Department of Energy (DOE) to operate two existing gasoline filling stations on the Hanford Site, in southeastern Washington, and to provide gasoline, diesel and motor oil.

It is the first time in the history of Hanford that fuel service will be operated and maintained by a commercial vendor. It will also be the first time that Hanford employees will be allowed to purchase gasoline at the on-site stations.

Under a lease agreement Smith will pay DOE \$50 thousand per year to lease the filling stations and will rebate to DOE a penny for every gallon that goes into private vehicles. Fuel sales from the leased stations could be worth up to \$7 million to Smith over the next five years. By leasing these stations, the government is expecting to save over 30% on the operation of the fuel facility and the supplying of fuel to the Hanford Site.

"This is a significant improvement in the way Hanford does business. It streamlines our procurement process by reducing the number of suppliers, allows us to deal with a local company, and offers a new service to our workers," said DOE Richland Operations Manager John Wagoner. "We worked with the Hanford Atomic Metal Trades Council and the Tri-Cities Industrial Development Council to ensure a win-win for our employees, the community and the federal government."

In the past DOE purchased fuel from up to five different suppliers at five different prices under the Defense Fuel Service Contract. Often times it meant fuel was delivered to Hanford from as far away as Seattle.

The agreement will take effect this summer when Smith takes over operating the two Hanford stations from ICF Kaiser Hanford Company. Fuel will continue to be dispensed to government vehicles through a computerized card-key system; however, fuel will be available to private vehicles through the use of commercial bank credit cards as well. The computerized operation will ensure that fuel dispensed to government vehicles will reflect the lease agreement price while fuel dispensed to private vehicles will reflect current market prices.

The lease agreement provides a number of other cost saving benefits as well, such as accelerating the shutdown of the government's bulk fuel storage facilities. Additionally, the fuel accessibility to private vehicles means sub-contractors bidding on construction projects won't have to include the cost of fuel being delivered to the construction site. They will be able to purchase fuel directly from the on-site filling stations, saving both time and money.

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RL 96-044