

Oil collective delivers affordable prices

Scarsdale group buys in volume for its 1,000 members

The Greenacres Oil Purchasing Consortium, based in Scarsdale, negotiates cheaper fuel oil prices for its 1,000 members. President Rick Reuter recently talked to reporter Diana Costello about how the group is able to secure the best deals because it makes delivery more efficient for suppliers.

For more information on their service, call 914-472-9466.

Q: How did the Greenacres Oil Purchasing Consortium begin?

A: We call ourselves GOPC, like a play on OPEC [Organization of the Petrole-

um Exporting Countries]. The operation was started in 1983, formed by some Greenacres residents in Scarsdale. Four or five of them got together and decided they could buy oil cheaper on a collective basis.

Q: How has the consortium grown since then?

A: We currently have about 1,000 members and we distribute 1.5 million to 2 million gallons of No. 2 fuel oil a year.

Our customer base is located south of I-287 and north of the Cross County (Parkway). We have been quite successful at negotiating rates we believe are 25 to 30 cents below the retail posted prices of No. 2 fuel oil delivered in Westchester.

Q&A

Q: Who supplies the oil?

A: Fred (M.) Schildwacher and Sons. They are located on Ferris (Place) in the Bronx. We've been with them about 10 years now. What we typically do is every third year, six months before the termination of the contract is up, we go to other fuel oil suppliers and try to negotiate better prices. We also want 24-hour service. We are pretty particular about the service; but we are also particular about our customers.

Q: How do you work to find the best possible deal?

A: It's like going to the stock market. Everybody knows what the price of wheat is, what the price of gold is. Oil is sold like that, too. There is the oil futures — it's on the New York Mercantile Exchange. So the barge

rate is usually 30 cents more than the oil rate you see in the newspapers. On that rate, we pay a premium of about 38 cents over the re-seller barge rate. Now, most retail organizations will sell it at 60 cents over that barge rate.

Q: Why is this attractive for the oil distributors?

A: The attractive thing for a company to bid on a GOPC contract is that it's in a relatively confined area. They send out a truck from their terminal with 10,000 gallons and they can deliver to 25 homes in a quarter of a square mile. If they're really good, they can distribute up to 40,000 to 50,000 gallons in a day. They get the maximum efficiency.

Q: Is there any fee to join?

A: The cost is \$25 for the first year. We typically waive



Diana Costello/The Journal News

Rick Reuter, front left, president of the Greenacres Oil Purchasing Consortium, has secured cheaper fuel oil rates for the group's 1,000 clients. With him are, from left, Larry Marciano, Peter Schildwacher and Daniel Schildwacher from Fred M. Schildwacher & Sons fuel oil company in the Bronx.

it, but that's subject to our revenue stream. If we feel we need the extra bucks then we charge it, but we typically do (waive it).

We have some organizational expenses, but they're very limited. The revenue

that we get is one cent per gallon of fuel oil. It's like a commission to run the organization. Now that the customer base is so large that the revenue stream is satisfactory, we're not looking to make any money.