

Resolution 2003-045

**AUTHORIZING CONTRACT NO. 2003-023 WITH UNIVERSAL OIL, INC. FOR THE FURNISHING OF ANTIFREEZE AS SPECIFIED, AND AS REQUIRED FOR A ONE YEAR PERIOD IN AN AMOUNT NOT TO EXCEED \$65,322.00 (RTA GENERAL FUND - FLEET MANAGEMENT DEPARTMENT BUDGET).**

WHEREAS, The Authority requires antifreeze in its diesel and gas vehicles in order to ensure against freezing and boil over in the maintenance of the vehicle cooling systems ;and

WHEREAS, the bid of Universal Oil, Inc., located at 265 Jefferson Avenue, Cleveland, OH 44113, for the furnishing of Antifreeze as specified, and as required for a one year period was received on March 20, 2003 for an amount not to exceed sixty five thousand three hundred twenty two and 00/100 dollars (\$65,322.00), and

WHEREAS, said bid was the only responsive bid received in response to the solicitation; and

WHEREAS, Section 306.43(B) of the Ohio Revised Code provides that when less than two responsive bids are received from responsible bidders, a regional transit authority may negotiate price with the sole responsible bidder; and

WHEREAS, after negotiations, the bid amount of \$65,322.00 was deemed fair and reasonable to the Authority; and

WHEREAS, the General Manager deems acceptance of the bid of Universal Oil, Inc., as negotiated, to be in the best interest of the Authority and recommends acceptance thereof by the Board of Trustees.

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the bid of Universal Oil, Inc., for the furnishing of antifreeze as specified and as required, for a one year period is hereby accepted as a responsive bid from a responsible bidder.

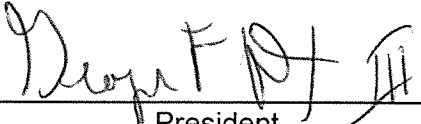
Section 2. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with Universal Oil, Inc., for the furnishing of antifreeze as specified and as required, for a one year period.

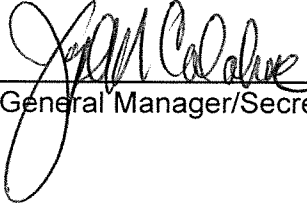
Section 3. That said contract shall be payable from the RTA General Fund, Fleet Management Department Budget, in an amount not to exceed sixty five thousand three hundred twenty two and 00/100 dollars (\$65,322.00)

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon, compliance by the contractor to the Specifications and Addenda, if any: the Affirmative Action Plan adopted by the Board of Trustees in resolution 2002-120 bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: April 15, 2003

  
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President

Attest:   
\_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority  
**STAFF SUMMARY AND COMMENTS**

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| <b>TITLE/DESCRIPTION:</b><br>AUTHORIZING CONTRACT NO. 2003-023 WITH UNIVERSAL OIL, INC. FOR THE FURNISHING OF ANTIFREEZE AS SPECIFIED, AND AS REQUIRED FOR A ONE YEAR PERIOD IN AN AMOUNT NOT TO EXCEED \$65,322.00 (RTA GENERAL FUND - FLEET MANAGEMENT DEPARTMENT BUDGET). | <b>Resolution No.:</b><br>2003- 045              |
|  | <b>Date:</b><br>April 10, 2003                   |
|  | <b>Initiator:</b><br>Fleet Management Department |
| <b>ACTION REQUEST:</b><br><input type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____   |  |

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a contract for the furnishing of antifreeze, as specified and as required, in its diesel and gas vehicles in order to ensure against freezing and boil over of vehicle cooling systems.
- 2.0 **DESCRIPTION/JUSTIFICATION:** Antifreeze is used in the radiators of motorized vehicles to ensure that the motors do not overheat or freeze, and protects the metal parts in the engine cooling system from corrosion.
- 3.0 **PROCUREMENT BACKGROUND:** Invitations for bid were sent to 19 prospective bidders. Two (2) bids were received on March 20, 2003.

This is a divisible bid with two (2) line items; therefore, an individual comparison for each line item was made. The bid of Universal Oil, Inc., was the only responsive and responsible bidder for the bulk antifreeze item of this bid. The other item fell within the small purchase dollar threshold.

A market survey was conducted of the GCRTA antifreeze requirement; the primary ingredient of the antifreeze is ethyl glycol which is very volatile to market fluctuation. Some suppliers surveyed were limited to quantity allotments of ethyl glycol and their providers would not ensure availability of future shipments. The study also revealed that providers would be required to have a dedicated tanker for the delivery of the bulk antifreeze.

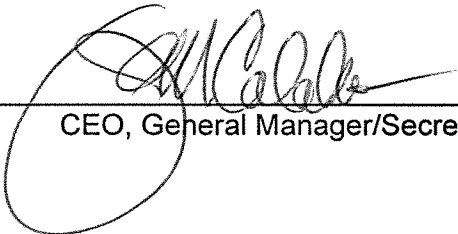
Ohio Revised Code Section 306.43(B) provides that in the case of a single bid being received, the Authority may negotiate the price bid with the vendor. Negotiations on this solicitation failed to achieve a lower price reduction from Universal Oil, Inc.

A cost/price analysis has been performed and the Procurement Department has determined the price to be fair and reasonable to the Authority.

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of subcontracting opportunities
- 5.0 **POLICY IMPACT:** Does not apply.

- 6.0 **ECONOMIC IMPACT:** The bid of five and 73/100 dollars (\$5.73) per gallon is (4.3%) higher than the budget estimate. This procurement will be funded from the RTA General Fund, Fleet Management Department budget in an amount not to exceed sixty five thousand three hundred twenty and 00/00 dollars (\$65,322.00).
- 7.0 **ALTERNATIVES:** Reject all bids. Rejection of all bids would delay the procurement of antifreeze and effect the Authorities ability to maintain the motorized fleets in proper condition.
- 8.0 **RECOMMENDATION:** It is recommended that the bid of Universal Oil, Inc., be accepted and the resolution passed authorizing the General Manager to enter into a contract.
- 9.0 **ATTACHMENTS:** None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



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CEO, General Manager/Secretary-Treasurer