

RESOLUTION NO. 2003-132

AUTHORIZING THE GENERAL MANAGER TO UTILIZE THE STATE OF OHIO COOPERATIVE PURCHASING PROGRAM FOR THE PURCHASE OF NATURAL GAS FROM FIRST ENERGY SOLUTIONS AT A COST NOT TO EXCEED \$5,000,000.00 OR A PERIOD NOT TO EXCEED 18 MONTHS (GENERAL FUND-FLEET MANAGEMENT & SERVICE MANAGEMENT DEPARTMENT BUDGETS)

WHEREAS, the Authority requires natural gas to heat its major facilities and to power the Authorities CNG buses; and

WHEREAS, the Cooperative Purchasing Act provides political subdivisions within the State of Ohio with the opportunity to participate in contracts executed by the State of Ohio, Department of Administrative Services, Office of State Purchasing, for the purchase of materials, services, equipment and certain supplies including natural gas; and

WHEREAS, the State of Ohio, Department of Administrative Services, Office of State Purchasing, has contracted First Energy Solutions, located at 395 Ghent Road, Akron, OH 44333, as its agent for natural gas; and

WHEREAS, Section 306.43(H)(4) of the Ohio Revised Code permits trustees of a regional transit authority to enter into agreements with state participants in said program; and

WHEREAS the Board of Trustees authorized utilization of the State of Ohio Cooperative Purchasing Program in Resolution 1990-69; and

WHEREAS, the General Manager has determined it to be in the best interest of the Authority to utilize the State of Ohio Cooperative Purchasing Program for the purchase of natural gas.

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

Section 1. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with the contractor selected by the State of Ohio, First Energy Solutions, for the furnishing of natural gas.

Section 2. That said authorization is granted under the authority of the Ohio Revised Code, Section 306.43(H) (4).


Section 3. That said contract shall be payable from the General Fund, Fleet Management and Service Management Department Budgets, in an amount not to exceed five million & 00/100 (\$5,000,000.00) for a period, not to exceed (18) months.

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Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriation of funds for future years compliance by the contractor to the Specifications and Addenda, thereto, if any and the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2003-107; 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: August 19, 2003



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING THE GENERAL MANAGER TO UTILIZE THE STATE OF OHIO COOPERATIVE PURCHASING PROGRAM FOR THE PURCHASE OF NATURAL GAS FROM FIRST ENERGY SOLUTIONS AT A COST NOT TO EXCEED \$5,000,000.00 OR A PERIOD NOT TO EXCEED 18 MONTHS (GENERAL FUND - FLEET MANAGEMENT & SERVICE MANAGEMENT DEPARTMENT BUDGET).	Resolution No.: 2003 - 132
	Date: August 14, 2003
	Initiator: Operations Division
ACTION REQUEST: <input checked="" 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 General Manger to utilize the State contract provider, First Energy Solutions, to supply natural gas through the State of Ohio Cooperative Purchasing Agreement.

2.0 **DESCRIPTION/JUSTIFICATION:** The Authority requires natural gas to heat its major facilities and power the Authority's CNG buses.

3.0 **PROCUREMENT BACKGROUND:** Natural gas purchased through the State of Ohio Cooperative Purchasing Program is at a unit cost of NYMEX (New York Mercantile Exchange plus a service fee.)

The Board of Trustees has authorized the General Manager to utilize the state cooperative purchasing program by Resolution 1990-069. The procurement established through the state program is the result of a competitive process.

This action will give the General Manager the Authority to participate in the state contract with First Energy Solutions.

A price analysis was performed and the price under the State Contract has been determined to be fair and reasonable to the Authority.

4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** The Office of Business Development does not conduct Affirmative Action reviews or establish goals on procurements included in the State Cooperative Purchasing program.

5.0 **POLICY IMPACT:** Does Not Apply.

6.0 **ECONOMIC IMPACT:** This procurement will be funded through the General Fund, Fleet Management and Service Management Department Budgets. The cost is estimated based on prior year usage and projected price. The purchase of natural gas on the spot market would result in GCRTA paying an additional 20% for natural gas.

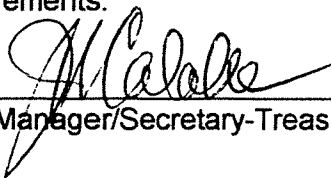
7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would require the Authority to competitively bid our natural gas usage, which would delay the procurement process and cause GCRTA to incur additional expenses.

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8.0 RECOMMENDATION: It is recommended that the resolution be passed authorizing the General Manager to enter into a contract with the State contract provider, First Energy Solutions, to provide natural gas in accordance with the terms and conditions of the State of Ohio Cooperative Purchasing program.

9.0 ATTACHMENTS: None

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



CEO, General Manager/Secretary-Treasurer