

RESOLUTION NO. 2003-160

AUTHORIZING CONTRACT NO. 2003-097 WITH BP PRODUCTS NORTH AMERICA, INC. FOR THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED, AND AS REQUIRED FOR A PERIOD OF THREE (3) YEARS WITH TWO (2) ONE (1) YEAR OPTIONS AT AMOUNTS NOT TO EXCEED \$1,800,132.00 FOR THE BASE YEARS AND \$750,636.00 PER YEAR FOR EACH OF THE TWO OPTION YEARS (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET).

WHEREAS, the Greater Cleveland Regional Transit Authority is committed to utilizing environmentally friendly technologies; and

WHEREAS, The Board of Trustees authorized under Resolution 2001-067, that any clean diesel buses purchased utilize ultra low sulfur diesel fuel; and

WHEREAS, the bid of BP Products North America, Inc. located at 28100 Torch Parkway, Warrenville, IL 60555 for the furnishing of ultra low sulfur diesel fuel as required for a period of three (3) years with two (2) one (1) year options was received on October 28, 2003, for the unit prices set forth in said bid, at amounts not to exceed one million eight hundred thousand one hundred thirty-two & 00/100 dollars (\$1,800,132.00) for the three base years and seven hundred fifty thousand six hundred thirty-six & 00/100 dollars (\$750,636.00) for each of the two option years; and

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

WHEREAS, Section 306.43B (5) of the Ohio Revised Code provides that when fewer than two responsive and responsible bids are received, that the authority may negotiate price with the sole responsive and responsible bidder; and

WHEREAS, the General Manager deems the bid of BP Products North America, Inc. to be the lowest responsive bid from a responsible bidder 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 BP Products North America, Inc. received on October 28, 2003 be and the same is hereby accepted as the lowest 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 BP Products North America, Inc. for the furnishing of ultra low sulfur diesel fuel as required for a period of three (3) years with two (2) one (1) year options, to be exercised at his discretion.

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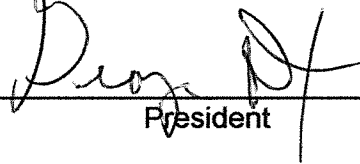
Section 3. That said contract shall be payable from the General Fund, Fleet Management Department budget, at amounts not to exceed one million eight hundred thousand one hundred thirty-two & 00/100 dollars (\$1,800,132.00) for the three base years and seven hundred fifty thousand six hundred thirty-sixty & 00/100 dollars (\$750,636.00) for each of the two option years.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor to the Specification and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2003-107; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that BP Products North America, Inc. will attempt to exceed the (0%) minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.


Adopted: November 24, 2003



President

Attest: 

CEO, General Manager/Secretary-Treasurer

Form 100-326 07-03-97		Greater Cleveland Regional Transit Authority STAFF SUMMARY AND COMMENTS
TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2003-097 WITH BP PRODUCTS NORTH AMERICA, INC. FOR THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED, AND AS REQUIRED FOR A PERIOD OF THREE (3) YEARS WITH TWO (2) ONE (1) YEAR OPTIONS AT AMOUNTS NOT TO EXCEED \$1,800,132.00 FOR THE BASE YEARS AND \$750,636.00 PER YEAR FOR EACH OF THE TWO OPTION YEARS (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET).		Resolution No.: 2003-160
		Date: November 19, 2003
		Initiator: Fleet Management Department
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 Authority to enter into a contract for the furnishing of ultra low sulfur diesel fuel as specified, and as required, for the Authority's fleet of buses.

2.0 DESCRIPTION/JUSTIFICATION: The Board of Trustees authorized under Resolution 2001-067, the intent that any diesel buses purchased, utilize ultra low sulfur diesel fuel. The Board of Trustees also authorized under Resolution 2000-039, the purchase of diesel fuel from BP Products North America, Inc. This resolution authorizes the incremental cost difference between diesel fuel currently at \$.045 per gallon over the Oil Price Information Service (OPIS) index for Cleveland; and the ultra low sulfur diesel fuel bid at \$.1898 per gallon over the Oil Price Information Service (OPIS) index for Cleveland.

3.0 PROCUREMENT BACKGROUND: Invitations for bid were sent to a total of eight (8) prospective vendors. Bids were opened on October 28, 2003. One bid was received. Ultra low sulfur diesel fuel is a new commodity that is produced in limited quantity by a limited number of refineries throughout the United States. A market survey revealed that the other manufacturers of this commodity could not be competitive in the Ohio region, at this time.

Section 306.43B (5) of the Ohio Revised Code provides that when fewer than two responsive and responsible bids are received, that the Authority may negotiate price with the sole responsive and responsible bidder. Negotiations with BP Products North America, Inc. resulted in a negotiated cost of \$.1898 per gallon over OPIS index for Cleveland for a period of three years with two one year options.

The bid of BP Products North America, Inc. has been determined by the Procurement Department to be a responsive bid from a responsible bidder. BP Products North America, Inc. is currently the provider of diesel fuel and unleaded gasoline for the Authority's vehicles.

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

4.0 DBE/AFFIRMATIVE ACTION 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: This procurement will be funded through the General Fund, Fleet Management Department Budget, in amounts not to exceed one million eight hundred thousand one hundred thirty-two & 00/100 dollars (\$1,800,132.00) for the three base years and seven hundred fifty thousand six hundred thirty-six & 00/100 dollars (\$750,636.00) for each of the two option years.
- 7.0 ALTERNATIVES: Reject all bids. Rejection of this award would result in GCRTA paying spot market cost for ultra low sulfur diesel fuel, which would be significantly higher per gallon.
- 8.0 RECOMMENDATION: It is recommended that the bid of BP Products North America, Inc. be accepted and the resolution passed authorizing the General Manager to enter into a contract.
- 9.0 ATTACHMENTS: Fuel Phasing Schedule.

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



CEO, General Manager/Secretary-Treasurer

C.5

ANTICIPATED ULTRA LOW SULFUR PHASE IN SCHEDULE

BP's bid for ULSD is \$.1898 per gallon above OPIS L.S. #2

The differential price will be \$.1448 per gallon to purchase ULSD fuel

Usage - Monthly (estimated) mileage Assumes no change in mileage operated.

Triskett @ Woodhill	172,000
Harvard	130,000
Hayden	130,000

Cost - Monthly to use ULSD fuel in place of current fuel

Triskett @ Woodhill	172,000 X \$.1448 = \$24,905
Harvard	130,000 X \$.1448 = \$18,824
Hayden	130,000 X \$.1448 = \$18,824

ULSD fuel phase in plan (approved by Joe during budget talks) with costs 2003
Triskett @ Woodhill as soon as possible. Realistically one month (maybe 6 weeks)
Cost \$25k - \$40k

2004

Triskett @ Woodhill	12 months	\$298,860
Harvard July - Dec	6 months	\$112,944
Total		\$411,804

2005

Triskett @ Woodhill	12 months	\$298,860
Harvard	12 months	\$225,888
Hayden July - Dec	6 months	\$112,944
Total		\$637,692

2006

Triskett @ Woodhill	12 months	\$298,860
Harvard	12 months	\$225,888
Hayden	12 months	\$225,888
Total		\$750,636