

RESOLUTION NO. 2005-183

AUTHORIZING CONTRACT NO. 2005-149 WITH HARTNEY OIL COMPANY FOR THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF FIVE (5) MONTHS IN AN AMOUNT NOT TO EXCEED \$ 5,075,000.00 WITH A SEVEN (7) MONTH OPTION IN AN AMOUNT NOT TO EXCEED \$7,650,000.00 FOR A PROJECTED TOTAL CONTRACT AMOUNT OF \$12,725,000.00 (GENERAL FUND - FLEET MANAGEMENT DEPARTMENT BUDGET).

WHEREAS, the Greater Cleveland Regional Transit Authority requires ultra low sulfur diesel fuel for the operation of its revenue and non-revenue vehicles; and

WHEREAS, the bid of Hartney Oil Company, with offices at 4801 South Harlem Road, Forest View, IL 60402 for the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of five (5) months with a seven (7) month option was received on December 13, 2005, at unit prices resulting in an amount not to exceed five million seventy five thousand and 00/100 dollars (\$5,075,000.00) for the five month base period and seven million six hundred fifty thousand and 00/100 dollars (\$7,650,000.00) for the seven month option period; and

WHEREAS, the General Manager/Secretary-Treasurer deems the bid of Hartney Oil Company, 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 Hartney Oil Company for the furnishing of ultra low sulfur diesel fuel for a period of five (5) months with a seven (7) month option to be exercised by mutual agreement be and the same is hereby accepted as a responsive bid from a responsible bidder.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with Hartney Oil Company, for the furnishing of ultra low sulfur diesel fuel as specified and as required, for a period of five (5) months with the right to exercise the additional seven (7) month option in an amount not to exceed seven million six hundred fifty thousand & 00/100 dollars (\$7,650,000) for a total contract amount not to exceed twelve million seven hundred twenty five thousand & 00/100 dollars (\$12,725,000).


Section 3. That said contract shall be payable from the General Fund, Fleet Management Department budget, in an amount not to exceed \$5,075,000 for the base period with an option in an amount not to exceed seven million six hundred fifty thousand & 00/100 dollars (\$7,650,000) for a total contract amount of twelve million seven hundred twenty-five thousand & 00/100 dollars (\$12,725,000.00)

Section 4. That said contract shall be binding upon and an obligation of the Authority, contingent upon availability of future funds for the option year; compliance by the contractor to the Specification and Addenda; if any, the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2005-051; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Hartney Oil Company, 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: December 20, 2005



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2005-149 WITH HARTNEY OIL COMPANY FOR THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF FIVE (5) MONTHS IN AN AMOUNT NOT TO EXCEED \$5,075,000.00 WITH A SEVEN (7) MONTH OPTION IN AN AMOUNT NOT TO EXCEED \$7,650,000.00 FOR A PROJECTED TOTAL CONTRACT AMOUNT OF \$12,725,000.00 (GENERAL FUND - FLEET MANAGEMENT DEPARTMENT BUDGET).	Resolution No.: 2005-183
	Date: December 15, 2005
	Initiator: Fleet Management Department
ACTION REQUEST: <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 ultra low sulfur diesel fuel, as specified and as required, for a period of five (5) months with a seven (7) month option.
- 2.0 DESCRIPTION/JUSTIFICATION: This contract for ultra low sulfur diesel fuel is required for the operation of revenue and non-revenue vehicles operated by the Authority.
- 3.0 PROCUREMENT BACKGROUND: Notification of this solicitation was sent to a total of twelve (12) prospective bidders. Bids were opened on December 13, 2005. Three (3) responsive bids were received. See Attachment A "Diesel Fuel Bid Summary".

Hartney Oil Company was the only responsive bidder for the Ultra Low Sulfur Diesel Fuel that the authority uses in their fleet, and therefore Section 306.43B (5) of the Ohio Revised Code provides that when fewer than two bids are received, that the authority may negotiate price with the sole responsive and responsible bidder. Negotiations with Hartney Oil Company resulted in a negotiated cost of Platts plus \$0.3030 per gallon delivered to our facilities for the five month period with seven month option period. Hartney Oil Company is the largest distributor for BP Products in North America. Hartney has been in business since 1916 and currently has several fuel contracts with Transit authorities across the mid east including CTA.

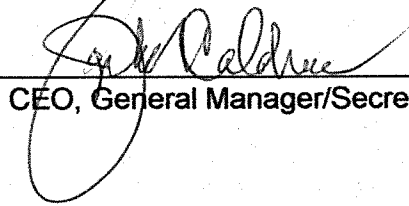
The bid of Hartney Oil Company has been determined by the Procurement Department to be a responsive bid from a responsible bidder. A price analysis has been performed and the Procurement Department has determined the price to be fair and reasonable to the Authority.

- 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 certified DBE firms.
- 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 an amount not to exceed five million seventy five thousand (\$5,075,000 for the base period with an option in the amount of seven million six hundred fifty thousand (\$7,650,000) for a total contract amount of twelve million seven hundred twenty-five thousand & 00/100 dollars (\$12,725,000.00).
- 7.0 ALTERNATIVES: Reject all bids. Rejection of this bid would significantly impact the Authority's ability to provide diesel fueling for the Authority's revenue and non-revenue vehicles causing potential disruptions in service.

8.0 RECOMMENDATION: It is recommended that the bid of Hartney Oil Company be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.

9.0 ATTACHMENTS: Appendix "A" – Diesel Fuel Bid Summary.

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



CEO, General Manager/Secretary-Treasurer

**APPENDIX A
DIESEL FUEL BID SUMMARY**

ITEM NO.	DESCRIPTION	UNIT PRICE		
		Hartney Oil Co.	IT Business Corp	Petroleum Traders
1.	ULTRA LOW SULFUR DIESEL FUEL (ULSD) O.P.I.S. Average +/- contractors increment. (Specify)			
2.	ULTRA LOW SULFUR DIESEL FUEL (ULSD) Platt's Average +/- contractors increment. (Specify)	+\$0.3030 previous day Chicago		
3	ULTRA LOW SULFUR DIESEL FUEL (ULSD) FIRM FIXED PRICE			
4.	LOW SULFUR DIESEL FUEL No. 2 (LSDF) O.P.I.S. Average Low # 2, +/- contractors increment. (Specify)			+0.0369
5.	LOW SULFUR DIESEL FUEL No. 2 (LSDF) Platt's Average, +/- contractors increment. (Specify)		+\$0.24 plus fuel surcharge	
6.	LOW SULFUR DIESEL FUEL No. 2 (LSDF) FIRM FIXED PRICE			
7.	Specify if Delivery Charge Applies for Less Than 7,500 Gallon Delivery	None	\$696.00	\$100.00