

RESOLUTION NO. 2006-217

RATIFYING AN INCREASE TO CONTRACT NO. 2005-149 WITH
HARTNEY OIL COMPANY FOR THE FURNISHING OF ULTRA LOW
SULFUR DIESEL FUEL, AS REQUIRED, IN THE AMOUNT OF
\$1,087,850.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED
\$13,812,850.00 (GENERAL FUND, FLEET MANAGEMENT
DEPARTMENT BUDGET)

WHEREAS, the Authority requires ultra low sulfur diesel fuel to power its revenue and non-revenue vehicles; and

WHEREAS, Resolution No. 2005-183 authorized the General Manager/Secretary-Treasurer to enter into a contract with Hartney Oil Company for the furnishing of ultra low sulfur diesel fuel as required, for a period of five months, with a (7) seven month option for a total amount not to exceed twelve million seven hundred twenty-five thousand & 00/100 (\$12,725,000.00); and

WHEREAS, the Authority has decided that all diesel powered vehicles will operate on ultra low sulfur diesel fuel; and

WHEREAS, increasing the contract to satisfy the fuel requirements through December 31, 2006 will exceed the General Manager/Secretary-Treasurer's change order authorization; and

WHEREAS, the General Manager/Secretary-Treasurer deems increasing the contract value to be advantageous to 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 offer of Hartney Oil Company to furnish additional ultra low sulfur diesel fuel, as required for the Authority's revenue and non-revenue vehicles, be and the same is hereby accepted as being advantageous to the Authority.

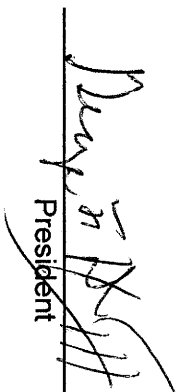
Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to increase Contract No. 2005-149 with Hartney Oil Company to continue to furnish ultra low sulfur diesel fuel through December 31, 2006, as required.

Section 3. That said increase shall be payable from the General Fund, Fleet Management Department budget in an additional amount not to exceed one million eighty-seven thousand eight hundred fifty & 00/100 dollars (\$1,087,850.00), resulting in a total contract amount projected not to exceed thirteen million eight hundred twelve thousand eight hundred fifty & 00/100 dollars (\$13,812,850.00).

Section 4. That all other terms and conditions of said contract shall remain unchanged.

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

Adopted: December 19, 2006



Bryan J. Hoff
President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION:
RATIFYING AN INCREASE TO CONTRACT NO. 2005-149 WITH HARTNEY OIL COMPANY FOR THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS REQUIRED, IN THE AMOUNT OF \$1,087,850.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$13,812,850.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

Resolution No.:	2006-217
Date:	December 14, 2006
Initiator:	Fleet Management Department

ACTION REQUEST:

x Approval Review/Comment Information Only Other _____

- 1.0 **PURPOSE/SCOPE:** This action will increase contract spending authority to allow Hartney Oil Company to furnish ultra low sulfur diesel fuel to the Authority through December 31, 2006.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority has a recurring need for ultra low sulfur diesel fuel to power its revenue and non-revenue vehicles. An analysis has determined that it would be cost effective to increase the current contract with Hartney Oil Company in lieu of purchasing ultra low sulfur diesel fuel on the open market.
- 3.0 **PROCUREMENT BACKGROUND:** In December 2005, the Authority was authorized by Resolution No. 2005-183 to enter into a contract with Hartney Oil Company for the furnishing of ultra low sulfur diesel fuel at PLATTS plus \$0.3030 per gallon, as required for a period of five months with an option for seven additional months. The additional contract authority is required as a result of the Authority utilizing ultra low sulfur diesel fuel in all of diesel powered revenue and non-revenue vehicles.

This change order reflects the actual fuel projected to carry the Authority to the end of the contract period. This change requires Board authorization, as it will exceed the General Manager/Secretary-Treasurer's change order authority.

A price analysis has been performed and the Procurement Department has determined that increasing the contract amount for ultra low sulfur diesel fuel with Hartney Oil Company is cost effective and in the best interest of the Authority.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement in December 2005 due to the lack of certified DBE firms when the contract was awarded to Hartney Oil Company.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This increase will be funded through the General Fund, Fleet Management Department budget, in an amount projected not to exceed one million eighty-seven thousand eight hundred fifty & 00/100 dollars (\$1,087,850.00) resulting in a total contract amount not to exceed thirteen million eight hundred twelve thousand eight hundred fifty & 00/100 dollars (\$13,812,850.00) for the term of the contract. The additional contract authority is within the forecasted appropriation amount for diesel fuel and state fuel tax.

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7.0 ALTERNATIVES: Rejection of this increase would delay delivery of ultra low sulfur diesel fuel to the Authority's non-revenue vehicles, which would create an unsafe condition and potential disruptions of service.

8.0 RECOMMENDATION: That the offer of Hartney Oil Company be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to ratify this change order.

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