

RESOLUTION NO. 2008-7

RATIFYING CONTRACT NO. 2007-148 WITH TRUMAN ARNOLD COMPANIES TO AUTHORIZE THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF THREE (3) MONTHS AT A PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$4,500,000.00 WITH AN OPTION FOR AN ADDITIONAL THREE (3) MONTHS AT A PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$4,500,000.00 FOR A TOTAL PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$9,000,000.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority requires ultra low sulfur diesel fuel (ULSDF) for the operation of its revenue and non-revenue vehicles; and

WHEREAS, the Authority's ULSDF requirements were included in a consortium solicitation released by Metro Regional Transit Authority (Akron METRO), which included Stark Area Regional Transit Authority (SARTA), Western Reserve Transit Authority (WRTA), Portage Area Regional Transportation Authority (PARTA) and Laketran for ultra low sulfur diesel fuel; and

WHEREAS, due to an increase in the oil market during the third quarter of 2007, the cost of diesel fuel was significantly higher than the 2008 budget amount, making it cost prohibitive to enter into a fixed price contract beginning January 1, 2008; and

WHEREAS, the current contract expired December 31, 2007; and

WHEREAS, Invitation for Bid No. 2007-148 was issued for the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of three (3) months with an option for three (3) additional months; and

WHEREAS, the bid of the Truman Arnold Companies with an office at 701 South Robison Road, Texarkana, TX 75501 for the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of three (3) months with an option for three (3) additional months was received on December 27, 2007 at a variable rate projected not to exceed \$4,500,000.00 for the first quarter of 2008 with an option for three (3) additional months in a projected amount not to exceed \$4,500,000.00 for a total projected contract amount not to exceed \$9,000,000.00; and

WHEREAS, said bid was the lowest responsive and responsible bid received in response to this solicitation; and

WHEREAS, the General Manager/Secretary-Treasurer discussed the necessity to exercise this contract beginning January 1, 2008 with the President of the Board of Trustees and received approval to proceed; and

WHEREAS, the General Manager/Secretary-Treasurer deems it in the best interest of the Authority to ratify Contract No. 2007-148 with Truman Arnold Companies.

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/Secretary-Treasurer be and he is hereby authorized to ratify a contract for Ultra Low Sulfur Diesel Fuel, as specified and as required, for a period of three (3) months at a projected amount not to exceed four million five hundred thousand & 00/100 dollars (\$4,500,000.00) with an option for three (3) additional months in a projected amount not to exceed four million five hundred thousand & 00/100 dollars (\$4,500,000.00) for a total projected contract amount not to exceed nine million & 00/100 dollars (\$9,000,000.00).


Section 2. That said contract shall be payable from the General Fund, Fleet Management Department budget for a projected total contract amount not to exceed nine million & 00/100 dollars.

Section 3. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriation of funds, compliance by the contractor to Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2007-064; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.


Section 4. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Truman Arnold Companies will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

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

Adopted: January 22, 2008



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: RATIFYING CONTRACT NO. 2007-148 WITH TRUMAN ARNOLD COMPANIES TO AUTHORIZE THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF THREE (3) MONTHS AT A PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$4,500,000.00 With AN OPTION FOR AN ADDITIONAL THREE (3) MONTHS AT A PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$4,500,000.00 FOR A TOTAL PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$9,000,000.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2008-7
	Date: January 17, 2008
	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 ratifies the General Manager/Secretary-Treasurer to enter into a contract with Truman Arnold Companies, for the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of three (3) months with an option for an additional three (3) months.
- 2.0 **DESCRIPTION/JUSTIFICATION:** Ultra low sulfur diesel fuel is required for the operation of the Authority's revenue and non-revenue vehicles.
- 3.0 **PROCUREMENT BACKGROUND:** The Authority along with other Northeast Ohio transit authorities issued an Invitation for Bids in November 2007 for firm fixed price on diesel for calendar year 2008. Due to a rise of prices in the oil market during the third quarter of 2007, the cost of diesel fuel was significantly higher than the 2008 budget amount, making it cost prohibitive to enter into a fixed price contract. The Authority's current fixed price contract for the 2007 calendar year expired December 31, 2007.

An Invitation for Bid (IFB) was posted on the procurement website and advertised in the local newspapers. Four responsive and responsible bids were received on December 27, 2007 as follows:

Estimated Usage 488,000 Gallons Per Month	
Vendor	*OPIS Average Plus Contractor's Increment
Truman Arnold Companies	OPIS MINUS \$0.020
Petroleum Traders	OPIS PLUS \$0.0220
Ports Petroleum	OPIS PLUS \$0.0380
Great Lakes Petroleum	OPIS PLUS \$0.480

* Oil Price Information Service (OPIS)

Pricing received is for fuel only; no taxes are included. A price analysis has been performed and the Procurement Department has determined that the price is fair and reasonable to the Authority based on historic pricing. The General Manager/Secretary-Treasurer discussed the necessity to exercise this contract beginning January 1, 2008 with the President of the Board of Trustees and received approval to proceed.

- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. A 0% DBE Goal was established for this procurement due to lack of certified DBE firms.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This procurement will be funded from the General Fund, Fleet Management Department budget in a projected amount not to exceed four million five hundred thousand & 00/100 dollars (\$4,500,000.00) for a period of three (3) months with an option for an additional three (3) months at a projected amount not to exceed four million five hundred thousand & 00/100 dollars (\$4,500,000.00) for a total projected contract amount not to exceed nine million & 00/100 dollars (\$9,000,000.00).
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this ratification would significantly impact the Authority's ability to provide diesel fuel at pricing advantageous to the Authority
- 8.0 RECOMMENDATION: This procurement was discussed at the January 8, 2008 committee meeting of the Board of Trustees. It is recommended that the offer of Truman Arnold Companies be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to ratify the contract.
- 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