

RESOLUTION NO. 2008-8

AUTHORIZING CONTRACT NO. 2008-004 FOR THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, TO A SUPPLIER TO BE DETERMINED FOR A PERIOD OF ONE (1) YEAR AT A PROJECTED TOTAL CONTRACT AMOUNT NOT TO EXCEED \$18,000,000.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit 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 are included in a consortium solicitation released by the GCRTA, which include Akron METRO, Stark Area Regional Transit Authority (SARTA) and Portage Area Regional Transportation Authority (PARTA); and

WHEREAS, due to the volatile fuel market, as a condition of the bid, the Authority must notify the successful bidder within one (1) hour of contract award to secure firm-fixed pricing based on the NYMEX futures for diesel fuel; and

WHEREAS, the terms of the solicitation do not obligate any of the consortium participants to purchase their fuel requirements, and each Authority has the option to accept or not to accept the bid without binding any of the other consortium participants; and

WHEREAS, the request to authorize the General Manager/Secretary-Treasurer to enter into a requirements contract with the successful bidder, for the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of one (1) year is considered most advantageous to the Authority and acceptance thereof by the Board of Trustees is recommended.

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 enter into a contract for Ultra Low Sulfur Diesel Fuel, as specified and as required, for a period of one (1) year at a projected contract amount not to exceed eighteen million & 00/100 dollars (\$18,000,000.00).


Section 2. That said contract shall be payable from the General Fund, Fleet Management Department budget, for a projected amount not to exceed eighteen million & 00/100 dollars (\$18,000,000.00).

Section 3. That said contract shall be binding upon and an obligation of the Authority, contingent upon availability of future funds; compliance by the contractor to the Specification 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 contractual obligations of the Authority.

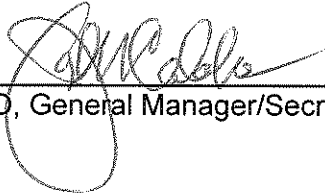
Section 4. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that the successful bidder will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

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

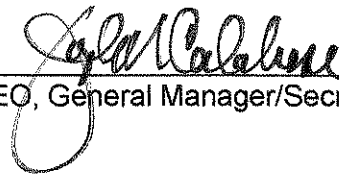
TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2008-004 FOR THE FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, TO A SUPPLIER TO BE DETERMINED FOR A PERIOD OF ONE (1) YEAR AT A PROJECTED TOTAL CONTRACT AMOUNT NOT TO EXCEED \$18,000,000.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2008-8
	Date: January 17, 2008
	Initiator: Fleet Management
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 authorize the General Manager/Secretary-Treasurer to enter into a requirements contract with the successful bidder, for the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of one (1) year.
- 2.0 **DESCRIPTION/JUSTIFICATION:** Ultra low sulfur diesel fuel is required for the operation of the Authority revenue and non-revenue vehicles.
- 3.0 **PROCUREMENT BACKGROUND:** The Authority's fuel requirement is part of a consortium bid released by GCRTA. Other participants are Akron METRO, SARTA, and PARTA. The solicitation will be posted on the GCRTA Procurement website and advertised in the local Cleveland newspapers. Bids will be submitted five days per week beginning February 25, 2008 continuing until March 27, 2008 or until contract award has been made. Pricing will be for fuel only; taxes not included.

 The award will be made to the lowest responsive and responsible bidder. Each member of the consortium can accept or reject the bid without obligating any of the other participants.
- 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 through the General Fund, Fleet Management Department budget, for an amount not to exceed eighteen million & 00/100 dollars (\$18,000,000.00). The cost of the diesel fuel is estimated at \$3.10 per gallon, the estimated usage is 5,800,000 gallons. The \$3.10 cost per gallon estimate is 40 cents more than the \$2.70 cost per gallon included in the 2008 budget. The total amount budgeted for diesel fuel in 2008 is \$15,660,000.00.
- 7.0 **ALTERNATIVES:** Reject all bids. Rejection of this bid would significantly impact the Authority's ability to furnish diesel fueling 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 Board of Trustees authorize the General Manager/Secretary-Treasurer of the Authority to enter into a contract with a supplier to be determined for furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of one (1) year at a projected total contract amount not to exceed \$18,000,000.00.

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