

RESOLUTION NO. 2008-50

AUTHORIZING CONTRACT NO. 2008-022 WITH LINWOOD CAPITAL, LLC TO PROVIDE DIESEL FUEL RISK MANAGEMENT SERVICES, AS REQUIRED, FOR A PERIOD OF THREE YEARS WITH TWO ADDITIONAL ONE YEAR OPTIONS IN AN ANTICIPATED AMOUNT NOT TO EXCEED \$90,000.00 FOR THE BASE TERM AND \$30,000.00 FOR EACH OPTION YEAR FOR A TOTAL ANTICIPATED CONTRACT AMOUNT NOT TO EXCEED \$150,000.00 (GENERAL FUND, OFFICE OF MANAGEMENT & BUDGET DEPARTMENT BUDGET)

WHEREAS, the Authority has a need to establish a strategy in which to better control present and future fuel costs; and

WHEREAS, the proposal of Linwood Capital, LLC, located at 4316 Eton Place, Edina, MN 55402 to provide diesel fuel risk management services was received on March 6, 2008; and

WHEREAS, after negotiations, a fixed fee schedule for services, as required, for an anticipated amount not to exceed ninety thousand & 00/100 dollars (\$90,000.00) for the base three year period with two, one-year options in an anticipated amount not to exceed thirty thousand & 00/100 dollars (\$30,000.00) per year for a total anticipated contract amount not to exceed one hundred fifty thousand & 00/100 dollars (\$150,000.00) was agreed upon; and

WHEREAS, the General Manager/Secretary-Treasurer deems the negotiated offer of Linwood Capital, LLC, as negotiated, to provide diesel fuel risk management services, as required, for a period of three years with two, one-year options to be in the best interest of the Authority, price and all other factors considered, 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 Linwood Capital, LLC, as negotiated, to provide diesel fuel risk management services, as required, for a period of three years with two, one-year options be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with Linwood Capital, LLC, to provide diesel fuel risk management services, as required, for a period of three years with two (2) one-year options.

Section 3. That said contract shall be payable from the RTA General Fund, Office Of Management & Budget Department budget in an anticipated amount not to exceed ninety thousand & 00/100 dollars (\$90,000.00) for the base three year period with two, one year options in an anticipated amount not to exceed thirty thousand & 00/100 dollars (\$30,000.00) for each option year for a total anticipated contract amount not to exceed one hundred fifty thousand & 00/100 dollars (\$150,000.00).

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriation of funds for future years, 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 obligation of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects Linwood Capital, LLC will attempt to exceed the 0% DBE goal assigned to this procurement.

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

Adopted: April 15, 2008

  
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President

Attest:

  
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CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority  
**STAFF SUMMARY AND COMMENTS**

Title/Description: AUTHORIZING CONTRACT NO. 2008-022 WITH LINWOOD CAPITAL, LLC TO PROVIDE DIESEL FUEL RISK MANAGEMENT SERVICES, AS REQUIRED, FOR A PERIOD OF THREE YEARS WITH TWO ADDITIONAL ONE YEAR OPTIONS IN AN ANTICIPATED AMOUNT NOT TO EXCEED \$90,000.00 FOR THE BASE TERM AND \$30,000.00 FOR EACH OPTION YEAR FOR A TOTAL ANTICIPATED CONTRACT AMOUNT NOT TO EXCEED \$150,000.00 (GENERAL FUND, OFFICE OF MANAGEMENT & BUDGET DEPARTMENT BUDGET)	Resolution No.: 2008-50
	Date: April 10, 2008
	Initiator: Office of Management & Budget
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 fuel risk management services, as required, for a period of three years with two (2) one-year options.
  
- 2.0 DESCRIPTION/JUSTIFICATION: The Greater Cleveland Regional Transit Authority requires a consultant to provide Risk Management Services for the Authority's diesel fuel requirements. The consulting firm will review current fuel supply contracts, establish and execute a program/strategy that will (1) make future fuel costs more certain and contain costs at or below budget, (2) reduce the volatility of fuel costs, and (3) predict the future cost of fuel.
  
- 3.0 PROCUREMENT BACKGROUND: The Request for Proposal was posted on the procurement website and advertised in the local newspapers. Three proposals were received on March 6, 2008 in response to this solicitation. After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, and after negotiations, the proposal of Linwood Capital, LLC to provide fuel risk management services was selected as one of the most advantageous to the Authority. The anticipated amount not to exceed \$90,000.00 for the base three-year period is based upon the anticipated fuel requirement of 5.8 million gallons at the pre-determined, negotiated rates. Linwood Capital, LLC provides risk management services for Southwest Ohio Regional Transit Authority (SORTA), The Greater Dayton Regional Transit Authority, Metro Transit, St. Paul, MN and Metro St. Louis, St. Louis MO. Linwood Capital specializes in managing future fuel costs for the public transportation sector.  
  
 A price analysis was performed and the Procurement Department has determined the negotiated 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: That said contract shall be payable from the General Fund, Office Of Management & Budget in an anticipated amount not to exceed ninety thousand & 00/100 dollars (\$90,000.00), as required, for the base three year period with two, one year options in an anticipated amount not to exceed thirty thousand (\$30,000.00) for each option year for a total anticipated contract amount not to exceed one hundred fifty thousand & 00/100 dollars (\$150,000.00).
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer will result in the Authority continuing to pay higher cost for its future diesel fuel requirements.
- 8.0 RECOMMENDATION: This procurement was discussed by the Board of Trustees Finance Committee at their April 1, 2008 meeting. It is recommended that the proposal of Linwood Capital, LLC be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 ATTACHMENTS: None.

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

  
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CEO, General Manager/Secretary-Treasurer