

RESOLUTION NO. 2008-88

RATIFYING CONTRACT NO. 2008-131 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 \$6,075,600.00 WITH AN OPTION FOR AN ADDITIONAL THREE (3) MONTHS AT A PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$5,856,000.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$11,931,600.00 (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, 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; and

WHEREAS, the bid of Truman Arnold Companies with an office at 701 South Robison Road, Texarkana, TX 75501 for the furnishing of ultra low sulfur fuel, as specified and as required, for a period of three (3) months with an option for three (3) additional months was received on June 10, 2008; and

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

WHEREAS, the General Manager/Secretary-Treasurer discussed the necessity to exercise this contract 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. 2008-131 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 Board of Trustees hereby ratify the action of the General Manager/Secretary-Treasurer of entering 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 at a projected amount not to exceed six million seventy-five thousand six hundred & 00/100 dollars (\$6,075,600.00) with a option for three (3) additional months at a projected contract amount not to exceed five million eight hundred fifty-six thousand & 00/100 dollars (\$5,856,000.00) for a total contract amount not to exceed eleven million nine hundred thirty-one thousand six hundred & 00/100 dollars (\$11,931,600.00).

Section 2. That said contract shall be payable from the General Fund, Fleet Management Department budget, for a period of three (3) months with an option for an additional three (3) months at a projected total contract amount not to exceed eleven million nine hundred thirty-one thousand six hundred & 00/100 dollars (\$11,931,600.00).

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 2008-061; 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.

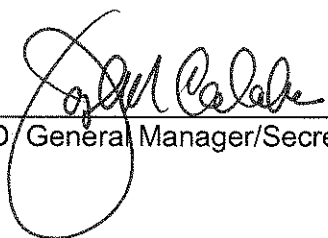
Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: June 17, 2008



President

Attest:



CEO/General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/Description: RATIFYING CONTRACT NO. 2008-131 WITH TRUMAN ARNOLD INDUSTRIES 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 \$6,075,600.00 WITH AN OPTION FOR AN ADDITIONAL THREE (3) MONTHS AT A PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$5,856,000.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$11,931,600.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2008-88
	Date: June 12, 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 ratifies the General Manager/Secretary-Treasurer action 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 revenue and non-revenue vehicles.
- 3.0 **PROCUREMENT BACKGROUND:** Due to the current instability of prices in the oil market during the first and second quarter of 2008, the cost of diesel fuel was significantly higher than our 2008 budget amount, making it cost prohibitive to enter into a fixed price contract.

The Invitation for Bid (IFB) was posted on the GCRTA Procurement web site and advertised in the local newspapers. The Authority's present contract for diesel fuel expires June 30, 2008. The following is a result of this solicitation:

Vendor	Firm Fixed Price	*OPIS Average Plus Contractor's Increment
Truman Arnold Companies	\$4.15 per gallon	Same as OPISs
Petroleum Traders	\$4.4364 per gallon	OPIS PLUS \$0.0296


* Oil Pricing Information Service (OPIS)

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.

- 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, for a period of three (3) months at a projected contract amount not to exceed six million seventy-five thousand six hundred & 00/100 dollars (\$6,075,600.00) with an option for an additional three (3) months at a projected contract amount not to exceed five million eight hundred fifty-six & 00/100 dollars (\$5,856,000.00) for a total contract amount not to exceed eleven million nine hundred thirty-one thousand six hundred & 00/100 dollars (\$11,931,600.00).
- 7.0 ALTERNATIVES: Reject all bids. Rejection of this ratification would significantly impact the Authority's ability to furnish ultra low diesel fuel at pricing advantageous to the Authority.
- 8.0 RECOMMENDATION: 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