

RESOLUTION NO. 2008-98

RATIFYING THE INCREASE TO CONTRACT NO. 2007-148 WITH TRUMAN ARNOLD COMPANIES TO FURNISH ULTRA LOW SULFUR DIESEL FUEL AS SPECIFIED, AND AS REQUIRED, IN AN AMOUNT OF \$1,045,000.00 FOR A PROJECTED TOTAL CONTRACT AMOUNT NOT TO EXCEED \$10,045,000.00 (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, Resolution No. 2008-007 authorized the ratification of Contract No. 2007-148 with Truman Arnold Companies with offices 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 at a projected contract amount not to exceed \$4,500,000.00 with an option for an additional three (3) months at a projected amount not to exceed \$4,500,000.00 for a total contract projected amount not to exceed \$9,000,000.00; and

WHEREAS, the total contract amount was a projected amount; and

WHEREAS, it is necessary to increase the base contract in an amount of one million forty-five thousand & 00/100 dollars (\$1,045,000.00) to cover the fuel cost for the contract period; and

WHEREAS, said increase exceeds the General Manager/Secretary-Treasurer's change order authority; and

WHEREAS, the General Manager/Secretary-Treasurer deems it in the best interest of the Authority to ratify his action to increase the contract for the furnishing of ultra low sulfur diesel fuel, as specified and as required, with Truman Arnold Companies, 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 negotiated offer of Truman Arnold Companies, for the furnishing of ultra low sulfur diesel fuel as specified and as required, be and the same is hereby accepted.


Section 2. That the General Manager/Secretary-Treasurer of the Authority's action to accept the negotiated offer is hereby ratified and the increase to Contract No. 2007-148 with Truman Arnold Companies, to furnish ultra low sulfur diesel fuel, as specified and as required, is approved.

Section 3. That said amendment shall be payable out of the General Fund, Fleet Management Department budget in an amount of one million forty-five thousand & 00/100 dollars (\$1,045,000.00) for a projected total contract amount not to exceed ten million forty-five thousand & 00/100 dollars (\$10,045,000.00).

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

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

Adopted: July 15, 2008

  
\_\_\_\_\_  
President

Attest:   
\_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



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

<b>TITLE/DESCRIPTION:</b> RATIFYING THE INCREASE TO CONTRACT NO. 2007-148 WITH TRUMAN ARNOLD COMPANIES TO FURNISH ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, IN AN AMOUNT OF \$1,045,000.00 FOR A PROJECTED TOTAL CONTRACT AMOUNT NOT TO EXCEED \$10,045,000.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)	<b>Resolution No.:</b> 2008-98
	<b>Date:</b> July 10, 2008
	<b>Initiator:</b> Fleet Management Department
<b>ACTION REQUEST:</b> <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 action to enter into a change order for the furnishing of ultra low sulfur diesel fuel to meet the fueling requirements of the Authority's revenue and non-revenue vehicles.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The original contract was issued January 1, 2008 and was based on a projected cost per gallon of diesel fuel at \$3.07 per gallon. The Authority's diesel fuel cost has averaged \$3.255 through May 2008. This change order increases the contract amount to cover the projected shortfall through the end of the contract period. This change order has been reviewed and approved by the Change Order Committee.
- 3.0 **PROCUREMENT BACKGROUND:** The cost of diesel fuel is a result of an Invitation for Bid (IFB) issued December 27, 2007. Four responsive and responsible bids were received as a result of that solicitation. The bid results were 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)

We are in the option months (April 1 through June 30, 2008) of the contract period. A price analysis has been performed and the Procurement Department has determined that the price of this change order 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 lack of certified DBE Firms.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This change order will be funded through the General Fund, Fleet Management Department budget in an amount of one million forty-five thousand & 00/100 dollars (\$1,045,000.00) for a total projected contract amount not to exceed ten million forty-five thousand & 00/100 dollars (\$10,045,000.00).

- 7.0 ALTERNATIVES: Not ratify. Not ratifying this action will cause the Authority to not honor the change order.
- 8.0 RECOMMENDATION: It is recommended that the change order be accepted and the resolution passed ratifying the General Manager/Secretary-Treasurer's increase to 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