

RESOLUTION NO. 2008-139

RATIFYING CONTRACT NO. 2008-221 WITH PORTS PETROLEUM COMPANY, INC., TO AUTHORIZE THE 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 \$17,443,250.00 (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, a bid was received from Ports Petroleum Company, Inc., with an office at 1337 Blachleyville Road, Wooster, OH, 44691 for the furnishing of ULSDF, as specified and as required, for a period of one (1) year was received on September 17, 2008; and

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

WHEREAS, the General Manager/Secretary-Treasurer discussed the necessity to execute 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. 2008-221 with Ports Petroleum Company, Inc.

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 Ports Petroleum Company, Inc. for the furnishing of ULSDF, as specified and as required, for a period of one (1) year for a total projected contract amount not to exceed seventeen million four hundred forty-three thousand two hundred fifty & 00/100 dollars (\$17,443,250.00).

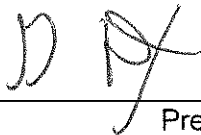
Section 2. That said contract shall be payable from the General Fund, Fleet Management Department budget, for a period of one (1) year at a projected total contract amount not to exceed seventeen million four hundred forty-three thousand two hundred fifty & 00/100 dollars (\$17,443,250.00).

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 Specifications 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: September 23, 2008

  
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President

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



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

<b>TITLE/Description:</b> RATIFYING CONTRACT NO. 2008-221 WITH PORTS PETROLEUM COMPANY, INC., TO AUTHORIZE THE 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 \$17,443,250.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)	<b>Resolution No.:</b> 2008-139
	<b>Date:</b> September 23, 2008
	<b>Initiator:</b> Fleet Management
<b>ACTION REQUEST:</b> <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 Ports Petroleum Company, Inc., for the furnishing of ultra low sulfur diesel fuel (ULSDF), 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:** Due to the current instability of prices in the oil market, Procurement had issued a solicitation in July with a close date of November 6, 2008. This extended bid provided the ability to take advantage of the unstable fuel market and lock in 2009 fuel prices when market conditions were advantageous to the Authority. The firm fixed price bid for the Authority's 2009 ultra low sulfur diesel fuel requirement is 15% below the 2008 projected amount.

The Invitation for Bid (IFB) was posted on the GCRTA Procurement web site and advertised in the local newspapers. The following is a result of the bids submitted on September 17, 2008 as a result of this solicitation:

VENDOR	ANTICIPATED USAGE	PRICE PER GALLON	EXTENDED COST
Ports Petroleum Co.	5,500,000 gallons	\$3.1715 per gallon	\$17,443,250.00
Truman Arnold Companies	5,500,000 gallons	\$3.1980 per gallon	\$17,589,000.00
Petroleum Traders	5,500,000 gallons	\$3.4364 per gallon	\$18,900,200.00

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 assigned to 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, at a projected contract amount not to exceed seventeen million four hundred forty-three thousand two hundred fifty & 00/100 dollars (\$17,443,250.00). The contract firm fixed price represents a saving of 15% compared to the 2008 projected amount.
- 7.0 ALTERNATIVES: Reject all bids. Rejection of this ratification would significantly impact the Authority's ability to furnish ultra low sulfur diesel fuel at pricing advantageous to the Authority.
- 8.0 RECOMMENDATION: It is recommended that the offer of Ports Petroleum Company, Inc. 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.



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CEO, General Manager/Secretary-Treasurer