

RESOLUTION NO. 2012-94

AUTHORIZING CONTRACT NO. 2012-133 WITH SANTMYER OIL COMPANY, INC., FOR THE FURNISHING OF APPROXIMATELY 9,500,000 GALLONS OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF TWO (2) YEARS WITH AN OPTION FOR 4,750,000 GALLONS FOR ONE (1) ADDITIONAL YEAR (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority has a need for ultra low diesel fuel to power its revenue vehicles; and

WHEREAS, the bid of Santmyer Oil Company, Inc., with offices at 3000 Old Airport Road, Wooster, OH 44691, for the furnishing of approximately 9,500,000 gallons of ultra low sulfur diesel fuel, as specified and as required, for a period of two (2) years with an option for an additional 4,750,000 gallons for one (1) additional year was received on November 1, 2012; and

WHEREAS, the General Manager/Secretary-Treasurer deems the bid of Santmyer Oil Company, Inc. to be the lowest responsive bid from a responsible bidder 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 bid of Santmyer Oil Company, Inc., for the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of two (2) years with an option for one (1) additional year, 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 Santmyer Oil Company, Inc., for the furnishing of up to 9,500,000 gallons of ultra low sulfur diesel fuel, as specified and as required, for a period of two (2) years with an additional one (1) year option for up to 4,750,000 gallons.

Section 3. That said contract shall be payable from the General Fund, Fleet Management Department budget. The cost of the ultra low sulfur diesel fuel will fluctuate daily depending on the Oil Price Information Service (OPIS) index.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon approval of future funding, compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2012-036; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

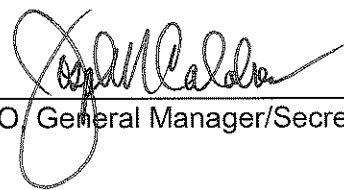
Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Santmyer Oil Company, Inc. will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

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

Adopted: November 20, 2012



President

Attest: 

CEO/General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: FURNISHING OF ULTRA LOW SULFUR DIESEL FUEL, AS SPECIFIED AND AS REQUIRED FOR A PERIOD OF TWO (2) YEARS WITH AN OPTION FOR ONE (1) ADDITIONAL YEAR VENDOR: SANTMYER OIL COMPANY, INC. AMOUNT: ANTICIPATED AMOUNT \$13,982,640 FOR YEAR ONE	Resolution No.: 2012-94
	Date: November 15, 2012
	Initiator: Fleet Management Department
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 the furnishing of ultra low sulfur diesel fuel, as specified and as required, for a period of two (2) years with an option for one (1) additional year.
- 2.0 **DESCRIPTION/JUSTIFICATION:** Ultra low sulfur diesel fuel is required to power the Authority's revenue vehicles.
- 3.0 **PROCUREMENT BACKGROUND:** The Authority has adopted an Energy Risk Management Policy & Strategy to better manage its fuel cost due to the volatile fuel market. As a part of the energy risk management strategy, the Authority plans to price the delivery of its diesel fuel requirements on the Oil Price Information Service (OPIS) average daily rate. The bid price reflects the cost of the (OPIS) average daily fuel cost billed the day the fuel is ordered. The Invitation for Bid (IFB) was posted on the GCRTA Procurement web site and advertised in the local newspapers. Eight (8) bids were received on November 1, 2012. See Attachment A, Bid Summary.

 A price analysis has been performed and the Procurement Department has determined the bid of the Santmyer Oil Company, Inc., for both the tanker load and less than tanker load 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:** This procurement will be funded through the General Fund, Fleet Management Department budget. The cost of the ultra low sulfur diesel fuel will fluctuate daily depending on the Oil Price Information Service (OPIS) index. The proposed budget of ultra low sulfur diesel fuel for 2013 is \$3.1479 per gallon. The anticipated usage of ultra low sulfur diesel fuel for 2013 and 2014 is 9,500,000 gallons.
- 7.0 **ALTERNATIVES:** Reject all bids. Rejection of this bid would significantly impact the Authority's ability to provide diesel fuel to the Authority's revenue vehicles, which would significantly affect the Authority's ability to service its customers.

8.0 RECOMMENDATION: It is recommended that the bid of Santmyer Oil Company, Inc., Inc. be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.

9.0 ATTACHMENTS: Attachment A - Bid Summary

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



CEO, General Manager/Secretary-Treasurer

ATTACHMENT A – BID SUMMARY

Oil Price Information Service
 OPIS Gross ULS No. 2 Cleveland Average
 Est Annual Gallons Full Tanker 4,349,296
 Est Gallons Less Than Tanker 354,704

Est Annual Usage 4,704,000 gals.

	Payment Terms	Opis	Full Load Bid Price	Tanker	Less than Tanker Bid Price	Less than Tanker Bid Cost	Total
		\$3.00					
SANTMYER	Net 15		-0.02750	\$ 12,928,282.36	-0.02750	\$ 1,054,357.64	\$ 13,982,640.00
Great Lakes Petroleum	Net 30		-0.03000	\$ 12,917,409.12	0.04000	\$ 1,078,300.16	\$ 13,995,709.28
Ports Petroleum	Net 10		-0.02810	\$ 12,925,672.78	0.03000	\$ 1,074,753.12	\$ 14,000,425.90
Heritage Petroleum	Net 20		-0.01999	\$ 12,961,337.01	0.05	\$ 1,081,847.20	\$ 14,043,184.21
Petroleum Traders	Net 30		-0.01960	\$ 12,962,641.80	0.05500	\$ 1,083,620.72	\$ 14,046,262.52
Mansfield Oil of Gainesville	Net 30		-0.01350	\$ 12,989,172.50	\$70 delivery charge*	\$ 1,068,983.50	\$ 14,058,156.00
Mansfield Oil of Gainesville	Net 20		-0.01500	\$ 12,982,648.56	\$70 delivery charge*	\$ 1,068,451.44	\$ 14,051,100.00
RKA Petroleum	Net 30		-0.01150	\$ 12,997,871.10	\$80 delivery charge*	\$ 1,071,072.90	\$ 14,068,944.00
P S Energy Group	Net 30		0.04472	\$ 13,242,388.52	0.04472	\$ 1,079,974.36	\$ 14,322,362.88

* The GCRTA's Paratransit and Rail facilities averaged 11.5 Less than Full Tanker Load Deliveries per month in 2012