

RESOLUTION NO. 2013-55

AUTHORIZING CONTRACT NO. 2013-069 WITH AMERIGAS PROPANE, LP, FOR THE FURNISHING OF APPROXIMATELY 182,500 GALLONS PER YEAR OF LIQUID PROPANE GAS (LPG), AS REQUIRED, TO INCLUDE ONE FUEL DISPENSING SYSTEM AND TWO 1,000 GALLON STORAGE TANKS FOR A PERIOD OF FIVE YEARS FOR AN APPROXIMATE TOTAL CONTRACT AMOUNT OF \$1,323,125.00 (GENERAL FUND, PARATRANSIT DEPARTMENT BUDGET)

WHEREAS, the Authority has a need for Liquid Propane Gas to power its twenty paratransit vehicles; and

WHEREAS, Amerigas Propane, LP, with an office located at 37401 Stevens Blvd., Willoughby, Ohio 44094, has offered to furnish Liquid Propane Gas, as required, including one fuel dispensing system and two 1,000 gallon storage tanks, for a period of five years in an approximate total contract amount of \$1,323,125.00; and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of Amerigas Propane, LP, to be in the best interest of the Authority 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 price of Amerigas Propane, LP, to furnish Liquid Propane Gas as required, including one fuel dispensing system and two 1,000 gallon storage tanks, for a period of five years be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer be and he is hereby authorized to enter into a contract with Amerigas Propane, LP, for the furnishing of Liquid Propane Gas, as required, including one fuel dispensing system and two 1,000 gallon storage tanks, for a period of five years.

Section 3. That said contract shall be payable from the General Fund, Paratransit Department budget, in an approximate amount of \$1,323,125.00 for a period of five years.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon funding for future years and compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2013-031; 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 Amerigas Propane, LP, 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: July 16, 2013

  
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President

Attest:   
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CEO, General Manager/Secretary-Treasurer



<b>TITLE/DESCRIPTION:</b> <b>CONTRACT:</b> FURNISHING OF LIQUID PROPANE GAS (LPG) FOR A PERIOD OF FIVE YEARS <b>VENDOR:</b> AMERIGAS PROPANE, LP <b>AMOUNT:</b> NOT TO EXCEED \$1,323,125.00	<b>Resolution No.:</b> 2013-55
	<b>Date:</b> July 11, 2013
	<b>Initiator:</b> Fleet Management Department
<b>ACTION REQUEST:</b> <input checked="" type="checkbox"/> Approval      Review/Comment      Information Only      Other _____	

- 1.0 **PURPOSE/SCOPE:** This resolution will allow the Authority to enter into a contract for Liquid Propane Gas (LPG), which will include one fuel dispensing system and two 1,000 gallon storage tanks for a period of five years.
  
- 2.0 **DESCRIPTION/JUSTIFICATION:** Liquid Propane Gas (LPG) is necessary to power the twenty 2013 El Dorado Coaches, built on a Ford F450 chassis engineered by Roush and recently purchased to provide paratransit service. The negotiated fuel rate will include the use of a fuel dispensing system and two 1,000 gallon LPG storage tanks for the contract period.
  
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals (RFP) was posted on the GCRTA website and advertised in the local newspapers. Thirteen potential proposers downloaded the solicitation, with one proposal being received from Amerigas Propane, LP. After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, the proposal of Amerigas Propane, LP was determined to be advantageous to the Authority. 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 LPG on the Mt. Belvieu Weekly Average as posted in BPN Weekly. The negotiated price reflects the cost of the weekly average of the fuel cost delivered that day plus margin.  
  
A cost analysis has been performed and the Procurement Department has determined the 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 DBEs.
  
- 5.0 **POLICY IMPACT:** Does not apply.
  
- 6.0 **ECONOMIC IMPACT:** This procurement will be funded through the General Fund, Paratransit Department budget. The cost of the liquid propane gas fuel will fluctuate weekly depending on the Mt. Belvieu weekly average. The proposed budget for liquid propane gas is \$1.45 per gallon. The anticipated usage of LPG is approximately 182,500 gallons per year.

- 7.0 ALTERNATIVES: Rejection of this offer would significantly impact the Authority's ability to provide LPG fuel to the Authority's propane powered vehicles, which would significantly affect the Authority's ability to service it's customers.
- 8.0 RECOMMENDATION: It is recommended that the offer of Amerigas Propane, LP 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