

RESOLUTION NO. 2014-83

AUTHORIZING CONTRACT NO. 2014-119 WITH SANTMYER OIL COMPANY, INC. FOR THE FURNISHING OF APPROXIMATELY 170,000 GALLONS OF 87 OCTANE UNLEADED GASOLINE, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF ONE YEAR WITH AN OPTION FOR ONE ADDITIONAL YEAR AT A COST OF MINUS \$.0200 PER GALLON BELOW THE OPIS INDEX (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS the Authority has a need for unleaded gasoline to power its non-revenue vehicles; and

WHEREAS, the bid of Santmyer Oil Company, Inc., with offices at 4500 Renaissance Parkway, Cleveland, OH 44128, for the furnishing of unleaded gasoline, as specified and required, for a period of one year and an option for one additional year at a cost of \$.0200 per gallon below the average daily OPIS index was received on August 21, 2014; 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 unleaded gasoline, as specified and as required, for a period of one year with an option for one 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 approximately 170,000 gallons of 87 octane unleaded gasoline, as specified and as required, for a period of one year with an option for one additional year of approximately 170,000 gallons.

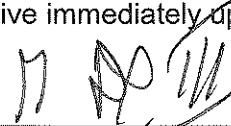
Section 3. That said contract shall be payable from the General Fund, Fleet Management Department budget, in an amount not to exceed \$552,500.00 for the first year with an option for one, additional year in an amount not to exceed \$552,500.00, for a total contract amount not to exceed \$1,105,000.00.

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. 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 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: September 16, 2014



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: FURNISHING OF APPROXIMATELY 170,000 GALLONS, PER YEAR, OF 87 OCTANE UNLEADED GASOLINE, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF ONE YEAR WITH AN OPTION FOR ONE ADDITIONAL YEAR VENDOR: SANTMYER OIL COMPANY INC. AMOUNT: MINUS \$.0200/GALLON BELOW OPIS INDEX	Resolution No.: 2014-83
	Date: September 11, 2014
	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 87 octane unleaded gasoline, as specified and as required, for a period of one year with an option for one, additional year.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The 87 octane unleaded gasoline is required to power the Authority's non-revenue vehicles.
- 3.0 **PROCUREMENT BACKGROUND:** The Invitation for Bid (IFB) was posted on the GCRTA Procurement web site and advertised in the local newspapers. Six bids were received on August 21, 2014. The bid price reflects the cost of the OPIS average daily fuel cost billed the day the fuel is ordered. The following are the results of the bid:

Estimated Usage 170,000 Gallons a Year			
SUPPLIER	Contractor's Increment (+/-) OPIS Average	Delivery Less than Tanker (5,000 gals)	Payment Terms
Santmyer Oil	\$ (-) .0200	\$ (-) .0200	Net 15
Ports Petroleum	\$ (-) .0301	\$ (+) .0448	Net 30
Great Lakes Petroleum	\$ (-) .0175	\$ (+) .0300	Net 30
Petroleum Traders	\$ (+) .0016	\$ (+) .0016	Net 30
RKA Petroleum	\$ (+) .0043	\$ (+) .1024	Net 30
Mansfield Oil	\$ (+) .0089	\$ (+) .0551	Net 30

All deliveries are provided by tanker trucks which carry less than 5,000 gallons. 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 a 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 87 octane unleaded gasoline will fluctuate daily depending on the oil price information service (OPIS) index. The proposed budget of 87 octane unleaded gasoline for 2014 is forecasted at \$3.25 per gallon with an anticipated usage of 170,000 gallons or \$552,500.00. The budget for 87 octane unleaded gasoline for 2015 is \$3.25 per gallon with an anticipated usage of 170,000 gallons or \$552,500.00. The total budgeted contract value for the 87 octane unleaded gasoline for calendar years 2014 and 2015 is estimated at \$1,105,000.00.
- 7.0 ALTERNATIVES: Reject all bids. Rejection of this bid would significantly impact the Authority's ability to procure the 87 octane unleaded gasoline at pricing that is advantageous to the Authority.
- 8.0 RECOMMENDATION: It is recommended that the bid of Santmyer Oil Company, Inc., 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.



CEO, General Manager/Secretary-Treasurer