

RESOLUTION NO. 2016-97

AUTHORIZING CONTRACT NO. 2016-106 WITH GREAT LAKES PETROLEUM CO., FOR THE FURNISHING OF APPROXIMATELY 175,000 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 \$.0235 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 Great Lakes Petroleum Co., with offices located at 4500 Renaissance Parkway, Cleveland, OH 44128, for the furnishing of unleaded gasoline, as specified and as required, for a period of one year with an option for one additional year at a cost of \$.0235 per gallon below the average daily OPIS index was received on September 28, 2016; and

WHEREAS, the CEO, General Manager/Secretary-Treasurer deems the bid of Great Lakes Petroleum Co., 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 Great Lakes Petroleum Co., 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 CEO, General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with Great Lakes Petroleum Co., for the furnishing of approximately 175,000 gallons of 87 octane unleaded gasoline, as specified and as required, for a period of one year and to exercise an option for one additional year of approximately 175,000 gallons, as specified and as required.


Section 3. That said contract shall be payable from the General Fund, Fleet Management Department budget, in an amount not to exceed \$323,750.00, for the base year, with an option for one additional year in an amount not to exceed \$393,750.00, for a total contract amount not to exceed \$717,500.00.

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 with the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2015-076; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

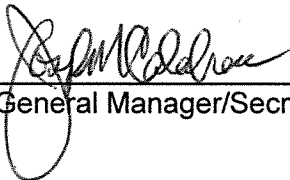
Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Great Lakes Petroleum Co. will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

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

Adopted: October 18, 2016



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: FURNISHING OF APPROXIMATELY 175,000 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: GREAT LAKES PETROLEUM AMOUNT: MINUS \$.0235/GALLON BELOW OPIS INDEX	Resolution No.: 2016-97
	Date: October 13, 2016
	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. Seventeen interested parties downloaded the solicitation package. Seven bids were received on September 28, 2016. 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 175,000 Gallons a Year			
SUPPLIER	Base Year Contractor's Increment (+/-) OPIS Average	Option Year Contractor's Increment (+/-) OPIS Average	Payment Terms
Great Lakes Petroleum	\$ (-) .0235	\$ (-) .0235	Net 15
Ports Petroleum	\$ (-) .0121	\$ (-) .0121	Net 30
Santmyer Oil	\$ (+) .0000	\$ (+) .0000	Net 15
Petroleum Traders	\$ (+) .0063	\$ (+) .0113	Net 30
Guttman	\$ (+) .0265	\$ (+) .0265	Net 30
Mansfield Oil	\$ (+) .0545	\$ (+) .0545	Net 30
Ullman Oil	\$ (+) .0900	\$ (+) .0800	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 Great Lakes Petroleum Co. 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 for the base year delivery of 87 octane unleaded gasoline is forecasted at \$1.85 per gallon with an anticipated usage of 175,000 gallons or \$323,750.00. The proposed budget for the option year delivery of 87 octane unleaded gasoline is forecasted at \$2.25 per gallon with an anticipated usage of 175,000 gallons or \$393,750.00. The total budgeted contract value for the 87 octane unleaded gasoline for the base and option years of the contract is estimated at \$717,500.00.
- 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 Great Lakes Petroleum Co., be accepted and the resolution passed authorizing the CEO, 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