

RESOLUTION NO. 2018-75

AUTHORIZING CONTRACT NO. 2018-071 WITH PETROLEUM TRADERS CORPORATION FOR THE FURNISHING OF APPROXIMATELY 1,590,000 GALLONS OF 87 OCTANE UNLEADED GASOLINE, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF THREE YEARS (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 Petroleum Traders Corporation, with offices located at 7120 Pointe Inverness Way, Fort Wayne, IN 46804, for the furnishing of approximately 1,590,000 gallons of 87 octane unleaded gasoline, as specified and required, for a period of three years was received on July 3, 2018; and

WHEREAS, the CEO, General Manager/Secretary-Treasurer deems the bid of Petroleum Traders Corporation 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 Petroleum Traders Corporation for the furnishing of unleaded gasoline, as specified and as required, for a period of three years, be the same and 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 Petroleum Traders Corporation for the furnishing of approximately 1,590,000 gallons of 87 octane unleaded gasoline, as specified and as required, for a period of three (3) years.

Section 3. That said contract shall be payable from 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 \$1.80 per gallon or \$954,000.00. The cost per gallon will be \$.0642/gallon above OPIS index for year 1 and 2 and \$.0692/gallon above OPIS index for year 3. The anticipated usage for the term of this contract is estimated at 530,000 gallons per year.

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.

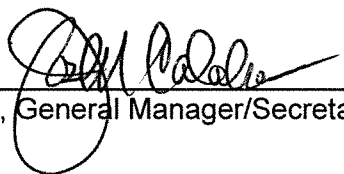
Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Petroleum Traders Corporation will attempt to exceed the 10% minimum DBE goal assigned to this procurement.

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

Adopted: July 24, 2018



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: PROCUREMENT OF 87 OCTANE UNLEADED GASOLINE, AS SPECIFIED AND AS REQUIRED, FOR A PERIOD OF THREE (3) YEARS VENDOR: PETROLEUM TRADERS CORPORATION AMOUNT: \$.0642/GALLON ABOVE OPIS INDEX FOR YEAR 1 AND 2 \$.0692/GALLON ABOVE OPIS INDEX FOR YEAR 3	Resolution No.: 2018-75
	Date: July 20, 2018
	Initiator: Fleet Management
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 three years.
- 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. Sixteen interested parties downloaded the solicitation package. Two responsive bids were received on July 3, 2018. 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:

Supplier	Year 1 Contractor's Increment (+/-) OPIS Average	Year 2 Contractor's Increment (+/-) OPIS Average	Year 3 Contractor's Increment (+/-) OPIS Average
Petroleum Traders	\$ (+) .0642	\$ (+) .0642	\$ (+) .0692
Great Lakes Petroleum	\$ (+) .067	\$ (+) .075	\$ (+) .08

The bid from Petroleum Traders Corporation was determined to be a responsive bid from a responsible bidder. 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 Petroleum Traders Corporation to be fair and reasonable to the Authority.

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 10% DBE participation goal was established for this procurement. Petroleum Traders Corp. submitted good faith efforts documentation for the failure to achieve the DBE participation goal. The Office of Business Development determined the information was sufficient for contract award.
- 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 \$1.80 per gallon or \$954,000.000. The cost per gallon will be \$.0642/gallon above OPIS index for year 1 and 2 and \$.0692/gallon above OPIS index for year 3. The anticipated usage for the term of this contract is estimated at 530,000 gallons per year.
- 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 Petroleum Traders Corporation 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