

RESOLUTION NO. 2021-80

AUTHORIZING CONTRACT NO. 2021-097 WITH PETROLEUM TRADERS CORPORATION FOR THE FURNISHING OF APPROXIMATELY 1,350,000 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 needs unleaded gasoline to power its non-revenue vehicles;
and

WHEREAS, the bid of Petroleum Traders Corporation, with an office located at 7120 Pointe Inverness Way, Fort Wayne, IN 46804, for the furnishing of approximately 450,000 gallons of unleaded gasoline annually, for a total of 1,350,000 gallons as specified and required, for a period of three years, was received on August 11, 2021; and

WHEREAS, the General Manager, Chief Executive Officer 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 (3) years, be and the same is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer of the Authority be and she is hereby authorized to enter into a contract with Petroleum Traders Corporation for the furnishing of approximately 1,350,000 gallons of 87 octane unleaded gasoline, as specified and as required, for a period of three (3) years.

Section 3. This procurement will be funded through the General Fund, Fleet Management Department budget. The cost of 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 \$2.30 per gallon or \$1,035,000.00. The cost per gallon will be \$.0538/gallon above OPIS index for year 1, \$.0588/gallon above OPIS index for year 2 and \$.0638/gallon above OPIS index for year 3. The anticipated usage for the term of this contract is 450,000 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; 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 0% minimum DBE goal assigned to this procurement.

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

Adopted: August 24, 2021



President

Attest:  *acting for*


Secretary-Treasurer

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: \$.0538/GALLON ABOVE OPIS INDEX FOR YEAR 1, \$.0588/GALLON ABOVE OPIS INDEX FOR YEAR 2, \$.0638/GALLON ABOVE OPIS INDEX FOR YEAR 3	Resolution No.: 2021-80
	Date: August 19, 2021
	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 resolution 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 (3) 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 Bids (IFB) was posted on the GCRTA Procurement web site and advertised in the local newspapers. Twenty-six interested parties downloaded the solicitation package. Seven responsive bids were received on August 11, 2021. The bid price reflects the cost of the Oil Price Information Service (OPIS) average daily fuel cost billed the day the fuel is ordered.

The bid of Petroleum Traders Corporation has been determined by the Procurement Department to be the lowest responsive bid from a responsible bidder.

Estimated Usage 450,000 Gallons Per Year			
Supplier	Year 1 Contractor's Increment (+/-) OPIS Average	Year 2 Contractor's Increment (+/-) OPIS Average	Year 3 Contractor's Increment (+/-) OPIS Average
Petroleum Traders Corp.	\$ (+) .0538	\$ (+) .0588	\$ (+) .0638
Gladieux Energy	\$ (+) .0579	\$ (+) .0614	\$ (+) .0649
RKA Petroleum Co	\$ (+) .0627	\$ (+) .0652	\$ (+) .0682
Great Lakes Petroleum	\$ (+) .07	\$ (+) .07	\$ (+) .07
Cuyahoga Landmark	\$ (+) .063	\$ (+) .063	\$ (+) .07
Ports Petroleum	\$ (+) .0724	\$ (+) .0724	\$ (+) .0724
Mansfield Oil	\$ (+) .1707	\$ (+) .1707	\$ (+) .1827

All deliveries are provided by tank wagons, 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. The bid price is approximately 2% below the budget estimate.

- 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 87 octane unleaded gasoline will fluctuate daily depending on the OPIS index. The proposed budget for the base year delivery of 87 octane unleaded gasoline is forecasted at \$2.30 per gallon or \$1,035,000.00. The cost per gallon will be \$.0538/gallon above OPIS index for year 1, \$.0588/gallon above OPIS index for year 2 and \$.0638/gallon above OPIS index for year 3. The anticipated usage for the term of this contract is 450,000 gallons per year.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this bid would significantly impact the Authority's ability to procure 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 General Manager, Chief Executive Officer 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.


General Manager, Chief Executive Officer