

RESOLUTION NO. 2022-6

AUTHORIZING CONTRACT NO. 2021-180 WITH AMERIGAS PROPANE, L.P. FOR THE FURNISHING OF LIQUID PROPANE GAS, AS REQUIRED, FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$180,000.00 (GENERAL FUND, PARATRANSIT DEPARTMENT BUDGET)

WHEREAS, the Authority is in the process of purchasing EIDorado Paratransit coaches that are gasoline powered to replace the eleven remaining Paratransit coaches that are currently powered by Liquid Propane Gas (LPG); and

WHEREAS, due to global supply chain issues, the Authority must operate the eleven remaining LPG powered Paratransit coaches to maintain its fleet and continue service to its customers; and

WHEREAS, Amerigas Propane, L.P., the current provider of LPG to the Authority, has a proprietary fuel dispensing system and two, 1,000 gallon LPG storage tanks installed and located at the GCRTA Paratransit Facility; and

WHEREAS, Amerigas Propane, L.P., with an office located at 460 North Gulph Road #100, King of Prussia, Pennsylvania, 19406, has offered to furnish LPG, as required, for a period of one year in a negotiated amount not to exceed \$180,000.00; and

WHEREAS, the General Manager, Chief Executive Officer deems, after reasonable inquiry, that Amerigas Propane, L.P. is the only one source of supply reasonably available, as justified under Section 306.43 (H) (2) of the Ohio Revised Code; and

WHEREAS, the General Manager, Chief Executive Officer deems the negotiated offer of Amerigas Propane, L.P., to be in the best interest of the Authority, price and other factors considered, 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 offer of Amerigas Propane, L.P., to provide Liquid Propane Gas (LPG) for a period of one year, is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer of the Authority is hereby authorized to enter into a contract with Amerigas Propane, L.P., to provide LPG for a period of one year.

Section 3. That said contract shall be payable from the General Fund, Paratransit Department budget. The cost of the LPG fuel will fluctuate weekly depending on the Mont Belvieu weekly average and is estimated in an amount not to exceed \$180,000.00 for a period of one year.

Section 4. That said contract shall be binding upon and an obligation to the Authority contingent upon compliance by the contractor to the Specifications and Addenda thereto, 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 Amerigas Propane, L.P., will attempt to exceed the 0% DBE goal assigned to this procurement.

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

Adopted: January 25, 2022



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President

Attest:



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Secretary-Treasurer



<b>TITLE/DESCRIPTION:</b>  <b>CONTRACT:</b> FURNISHING OF LIQUID PROPANE GAS  <b>VENDOR:</b> AMERIGAS PROPANE, L.P.  <b>AMOUNT:</b> NTE \$180,000.00 FOR PERIOD OF ONE YEAR	<b>Resolution No.:</b> 2022-6
	<b>Date:</b> January 20, 2022
	<b>Initiator:</b> Paratransit Department
<b>ACTION REQUEST:</b> <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 sole source contract to provide Liquid Propane Gas (LPG) for a period of one year.
- 2.0 **DESCRIPTION/JUSTIFICATION:** LPG is necessary to power the eleven remaining EIDorado Coaches that currently provide paratransit service to customers.
- 3.0 **PROCUREMENT BACKGROUND:** As authorized by the Board of Trustees under Resolution Nos. 2020-50 and 2021-52, the Authority is in process of purchasing twenty, new EIDorado National Aerotech Paratransit coaches to replace coaches that have reached or exceeded their useful life. These new coaches are gasoline powered and are replacing the older coaches currently powered by LPG. Due to global supply chain issues, including microchip storage, delivery of some of these new coaches has been delayed. This means that the Authority must continue to operate the remaining eleven LPG powered coaches to maintain its fleet in order to service its customers. Amerigas Propane, L.P., is the current provider of LPG to the Authority, and has a proprietary fuel dispensing system and two, 1,000 gallon LPG storage tanks installed and located at the GCRTA Paratransit Facility. This purchase is exempt from competitive bidding as authorized by Section 306.43(H)(2) of the Ohio Revised Code.

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 Mont Belvieu Weekly Average as posted in BPN Weekly. The one year negotiated price of \$180,000.00 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 negotiated proposal from Amerigas Propane, L.P. is 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 DBE firms.
- 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 LPG fuel will fluctuate weekly depending on the Mont Belvieu weekly average and is estimated in an amount not to exceed \$180,000.00 for a period of one 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 coaches, which would significantly affect the Authority's ability to service its customers.
- 8.0 RECOMMENDATION: It is recommended that the offer of Amerigas Propane, L.P. 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.

  
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General Manager, Chief Executive Officer