



Summary of Proposed Award Furnishing of Ultra Low Sulfur Diesel Fuel For a Period of Three Years

Presented to: Organizational, Services & Performance
Monitoring Committee

February 4, 2025

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Project Overview

- Ultra Low Sulfur Diesel Fuel (“ULSDF”) is required for the operation of the Authority’s revenue and non-revenue vehicles which includes Bus and Non-Revenue Fleets, work equipment, trucks and generators.
- The Authority continues to reduce its consumption of ULSDF as we convert from diesel to CNG vehicles.
- This contract will seek approval to procure up to 1,000,000 gallons of ULSDF per year, which includes a contingency quantity in the event of an unanticipated need.

Project Overview

- Current average pricing for diesel fuel is \$2.47 per gallon
- ULSDF pricing fluctuates based on the average daily sales rate, tracked and published by the Oil Price Information Services (“OPIS”)

Project Overview

- OPIS collects refinery pricing, wholesale and retail fuel prices from various sources to determine daily price changes.
 - Oil Companies
 - Fuel Terminals
 - Service Stations
- The collected data is processed and verified for accuracy.
- Used as a pricing benchmark between buyers and sellers.

Procurement Overview

- The Invitation for Bid for the furnishing of ULSD for a period of three years was issued on December 15, 2024.
- Seven responsive bids were received on January 15, 2025.
- A summary of those bids is as follows:

Procurement Overview

Estimated Usage 1,000,000 Gallons a 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.	\$ (-) .0333	\$ (-) .0308	\$ (-) .0283
RKA Petroleum	\$ (-) .0293	\$ (-) .0293	\$ (-) .0293
Campbell Oil Company	\$ (-) .0237	\$ (-) .0237	\$ (-) .0237
Sunoco, LLC	\$ (-) .0200	\$ (-) .0200	\$ (-) .0200
Tartan Oil	\$ (-) .0183	\$ (-) .0183	\$ (-) .0183
James River Solutions	\$ (-) .0050	\$ (-) .0050	\$ (-) .0050
Mansfield Oil Company.	\$ (+) .0036	\$ (+) .0067	\$ (+) .0145



Procurement Overview

- Petroleum Traders Corporation, which is headquartered in Fort Wayne, Indiana, was determined to be the lowest responsive and responsible bidder.
- The Authority will procure ULSD for a period of three years, at approximately 1,000,000 gallons per year, at a firm basis rate of the OPIS index average daily rate on the date of delivery minus (\$0.0333) per gallon for year one, minus (\$0.0308) per gallon for year two, and minus (\$0.0283) per gallon for year three.

Procurement Overview

Recent experience:

- Allen County RTA
- Ohio Edison
- City of Canton
- USPS-Cleveland

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Procurement Overview

Recommendation:

- Staff requests that the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees the award of a contract to Petroleum Traders Corporation, for the furnishing of approximately 3,000,000 gallons of Ultra Low Sulfur Diesel Fuel, as specified and as required, for a period of three years.

Questions

Greater Cleveland Regional Transit Authority



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