

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing the Executive Director to Modify the Terms of the Service Station Contract No. SS-12 with Sunoco Retail LLC when Exercising the Commission’s First of Two Options to Renew the Contract for an Additional Five Year Period

WHEREAS, the Commission selected Sunoco, Inc. under Resolution No. 52-2010, adopted on December 20, 2010, for award of Service Station Contract No. SS-12 to operate the service stations located at the fourteen Service Plazas along the Ohio Turnpike; and

WHEREAS, the Commission consented to the assignment and assumption of Contract No. SS-12 to accommodate a corporate restructuring that caused the rights, duties and obligations of Sunoco, Inc. (R&M) to transfer to Sunoco Retail LLC (“Sunoco”); and

WHEREAS, Contract No. SS-12 provided for an initial term commencing January 1, 2011 and continuing through December 31, 2016 and, as provided in Resolution No. 52-2010, gave the Commission the option to renew Contract No. SS-12 for up to two (2) additional five (5) year renewal terms two (2), successive five (5) year periods pursuant to the same terms and conditions of the Contract; and

WHEREAS, Sunoco has proposed to renew the contract for its first five-year renewal period through December 31, 2021 based upon negotiated modifications to the terms and conditions that are administratively and financially more favorable to the Commission and summarized as follows:

<u>Current Terms</u>		<u>Renewal Terms</u>
<u>Gas Sales Revenue Share</u> \$0.03/gallon < 35 million gal. \$0.025/gallon > 35 < 45 million gal. \$0.03/gallon > 45 million gal.	<u>Diesel Sales Revenue Share</u> \$0.025/gallon < 16 million gal. \$0.030/gallon > 16 million gal.	<u>Combined Gas and Diesel Sales Revenue Share</u> \$0.03/gallon < 50 million gallons \$0.04/gallon > 50 < 57.75 million gallons \$0.05/gallon > 57.75 million gallons
<u>Kiosk Revenue Share</u> 4% of Gross Sales		<u>Kiosk Revenue Share</u> 6% of Gross Sales plus 50% of margin on beverages
<u>Convenience Store Revenue Share</u> 6% of Gross Sales below \$1.5 Mil per Plaza Set 4% of Gross Sales over \$1.5 Mil per Set 1% of Gross Sales for Capital Improvement Fund		<u>Convenience Store Revenue Share</u> 6% of Gross Sales up \$6.8 Million at All Plazas 7% of Gross Sales over \$6.8 Million at All Plazas 1% of Gross Sales for Capital Improvement Fund
<u>Capital Investment Commitment</u> \$5.9 Million during first term		<u>Capital Investment Commitment</u> \$6.4 Million during renewal term
<u>Marketing Support</u> Ad Hoc Event Participation		<u>Marketing Support</u> \$100,000 per year

WHEREAS, in addition to renegotiating the financial terms as described above, Sunoco maintains its commitment to pay the renewal bonus as originally set forth its proposal incorporated by reference into Contract SS-12 in the amount of \$1,000,000.00 and assume maintenance responsibilities for the dumbwaiters servicing the convenience stores upon execution of the Commission’s option to renew through December 31, 2021; and

WHEREAS, the Executive Director has reviewed the contract terms submitted by the Director of Contracts Administration, and concurs that the Commission should approve the renewal of the contract based on the foregoing terms; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED by the Ohio Turnpike and Infrastructure Commission that the Executive Director is authorized to exercise the first option to renew Contract SS-12 with Sunoco through December 31, 2021, incorporating the revised terms and conditions set forth above, and retains the power and discretion to exercise the Commission’s option to renew the Contract for its final five-year period upon the terms and conditions deemed appropriate.

(Resolution No. 54-2016 adopted August 15, 2016)