

# OHIO TURNPIKE COMMISSION

## Resolution Awarding a Contract for the Purchase of Ultra Low Sulfur Diesel Fuel

WHEREAS, the Commission has advertised for bids for Invitation No. 4069 for the furnishing to the Commission of ultra low sulfur diesel fuel for a twelve (12) month period, with an option to renew for one (1) additional one (1) year period; and

WHEREAS, the expenditures of the Commission for ultra low sulfur diesel fuel under Invitation No. 4069 will exceed \$150,000 and, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such Contract; and

WHEREAS, two (2) bids were received in response to the Invitation; and

WHEREAS, the bids were reviewed by the maintenance engineer who has stated that the lowest responsive and responsible bids for Group I and Group II (West and East Maintenance Divisions) were submitted by **Petroleum Traders Corporation of Fort Wayne, Indiana** and that this bidder proposes to furnish materials and services in accordance with the Commission's specifications; and

WHEREAS, based on the price per gallon set forth in reports provided by the Oil Price Information Service ("OPIS") for Cleveland, Ohio, bidders were asked to state the price differential per gallon that they would charge to cover their processing costs, delivery charges and profit margin, but which differential is exclusive of any fuel taxes and discounts; and

WHEREAS, the maintenance department has estimated the quantities of ultra low sulfur diesel fuel required for the next year (Groups I and II) at **422,000 gallons** and, based on these quantities and current fuel costs, has been able to estimate annual expenditures with Petroleum Traders Corporation in the amount of **\$1,121,302**; and

WHEREAS, to account for the possibility of further price increases in the volatile diesel fuel market, the maintenance engineer has recommended that **\$1,220,000** be allocated for the first year of expenditures under the Contract, which amount will allow for a possible fuel cost increase of up to nine percent (9%); and

WHEREAS, should the quantities of ultra low sulfur diesel fuel purchased exceed the number of gallons estimated by the maintenance staff by more than ten percent (10%), or the cost of the fuel exceeds the \$1,220,000 in expenditures allocated for first year spending under the Contract by more than ten percent (10%), the Commission will be presented with a new resolution to increase said estimated quantities, and;

WHEREAS, prior to recommending renewal of the Contract, the maintenance department shall evaluate the materials and services provided by Petroleum Traders Corporation, and the Commission will be presented with a new resolution should the cost of renewal for the second year exceed the first year's allocation of \$1,220,000 by more than ten percent (10%); and

WHEREAS, the Commission has been advised by the director of contracts administration that all bids for Invitation No. 4069 were solicited on the basis of the same terms and conditions and the same specifications, that the bids of Petroleum Traders Corporation for Group I and Group II of Invitation No. 4069 conform to the requirements of Ohio Revised Code Sections 5537.07, 9.312 and 153.54, and that a performance bond of good and sufficient surety has been submitted by Petroleum Traders Corporation; and

WHEREAS, the executive director has reviewed the reports of the maintenance engineer and the director of contracts administration and, predicated upon such analysis, has made his recommendation to the Commission to award the Contract for Invitation No. 4069 to Petroleum Traders Corporation; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the bids of **Petroleum Traders Corporation** for Groups I and II of Invitation No. 4069 are deemed by the Commission to be the lowest responsive and responsible bids received and are accepted, and the chairperson and executive director, or either of them, is

hereby authorized: 1) to execute a Contract with Petroleum Traders Corporation in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation; 2) to incur expenditures under the Contract in the quantities estimated by the Maintenance Department's staff for the purchase of ultra low sulfur diesel fuel; 3) to direct the return to the other bidder of its bid security at such time as Petroleum Traders Corporation has entered into a Contract; 4) to determine based upon an evaluation of the materials and services provided by Petroleum Traders Corporation whether to exercise the one (1) year renewal option; and 5) to take any and all action necessary to properly carry out the terms of said Contract.

**(Resolution No. 18-2007 adopted June 22, 2007)**