

6/26/06

OHIO TURNPIKE COMMISSION

**Resolution Directing the Executive Director to Take
Immediate Action Concerning Extension of Contract for the
Purchase of Diesel Fuel for a One-Year Period**

WHEREAS, via Resolution No. 35-2004 adopted on July 19, 2004, the Commission's executive director was authorized to award two (2) contracts to **Petroleum Traders Corporation** (Groups I and II) and to **BP Products North America, Inc.** (Groups III and IV) for the furnishing to the Commission of unleaded gasoline and diesel fuel at its maintenance buildings for a twelve (12) month period, pursuant to the terms and conditions set forth under Invitation No. 3982; and

WHEREAS, the subject Contracts contain an option to extend for two (2) additional one-year periods, the first of which was authorized pursuant to Resolution No. 27-2005, for both gasoline and diesel fuel; and

WHEREAS, only the diesel fuel provider, **BP Products North America, Inc. ("BP Products")**, has agreed to maintain the originally quoted pricing differential as based on the Oil Price Information Service ("OPIS") weekly average through March 1, 2007, and possibly for the entire one-year extension period; and

WHEREAS, the Commission's maintenance engineer, in his memorandum dated June 8, 2006, indicated that he has been satisfied with the services and pricing from BP Products over the past year, and has recommended that the Commission exercise its option to extend the subject Contract; and

WHEREAS, the maintenance engineer has estimated the quantities of diesel fuel required for the next year at **420,000 gallons**, and, based on these quantities, has been able to estimate expenditures with BP Products in the amount of **\$1,500,000.00**, which estimates take into consideration the possibility of further price increases in the volatile diesel fuel market; and

WHEREAS, by letter dated June 14, 2006, the director of contracts administration advised BP Products of the Commission's intention to exercise the option to extend the Contract for its second and final one-year term pursuant to the same pricing, terms and conditions as those set forth in the original bid documents, with the exception that BP Products will notify the Commission not later than December 31, 2006 if it can no longer maintain the pricing beyond March 1, 2007, as a result of the volatility of diesel fuel prices; and

WHEREAS, the director of contracts administration has reviewed the pertinent documents received and the actions taken by the Commission's administrative staff with respect to exercising the option to extend the subject Contract with BP Products, and has advised the executive director that the Commission has full legal authority to enter into the proposed one-year contract extension pursuant to the same pricing, terms and conditions, as modified to accommodate the volatility of diesel fuel pricing; and

WHEREAS, based on the recommendations of the maintenance engineer and the director of contracts administration, the executive director requests Commission approval to exercise the option to extend Contract No. 3982, Groups III and IV, with BP Products for the second and final one-year period; and

WHEREAS, should the quantities of diesel fuel purchased under this option exceed the number of gallons estimated by the maintenance staff by more than ten percent (10%), the Commission will be presented with a new resolution to increase said estimated quantities; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes the executive director and director of contracts administration to execute the one-year Contract extension with **BP Products North America, Inc.** in the amount of **\$1,500,000.00** pursuant to the same pricing, terms and conditions as those set forth in the original bid documents for Invitation No. 3982, Groups III and IV, as modified to accommodate the volatility of diesel fuel pricing, and to take any and all action necessary to properly carry out the terms of said Contract extension.

(Resolution No. 27-2006 adopted June 26, 2006)