

OHIO TURNPIKE COMMISSION

Resolution Awarding Contract SS-11 for Service Station Operations at the Commission's Fourteen (14) Service Plazas

WHEREAS, on August 16, 2006, the Commission issued its **Request for Proposals (RFP) for Service Station Operations on the Ohio Turnpike** at the Commission's fourteen (14) Service Plazas (*Contract SS-11*), for an initial term of five (5) years, which may be extended for not more than two (2) successive five (5) year periods; and

WHEREAS, Notice of the Commission's RFP was published in two (2) newspapers and on both the Commission's website as well as that of the International Bridge, Tunnel and Turnpike Association, and the RFP was mailed to sixty-four (64) known oil companies, distributors and oil industry trade associations; and

WHEREAS, the RFP solicited detailed technical submissions in response to the scope of services and specifications contained therein, as well as revenue sharing proposals detailing compensation to the Commission under the ensuing Contract; and

WHEREAS, two (2) companies (**Sunoco, Inc. (R&M)** of Philadelphia, Pennsylvania and **Lehigh Gas Corporation** of Center Valley, Pennsylvania) submitted proposals to perform Service Station Operations at the Commission's fourteen (14) Service Plazas, which proposals were duly opened on September 26, 2006, as provided in said published Notice; and

WHEREAS, an evaluation committee comprised of the deputy executive director, the chief engineer, the director of service plaza operations, the maintenance engineer and the eastern division service plaza manager was formed to review and evaluate the technical aspects of both proposals; and

WHEREAS, although the revenue sharing proposals were segregated and not shared with the evaluation committee, prior to performing its deliberations, the committee decided that, in determining the "best" overall proposal and thus the apparent winner, equal weight should be given to the "best" technical score and the "best" revenue sharing score awarded the proposals; and

WHEREAS, upon completion of its review, the evaluation committee awarded the highest and best technical score to Lehigh Gas; and

WHEREAS, the revenue sharing proposals were then unsealed and tabulated by the Commission's purchasing manager who determined that the revenue sharing proposal submitted by Lehigh Gas will produce the most compensation to the Commission, and, therefore, it received the highest and best possible revenue sharing score (which, as stated, was then made equal in value to the highest and best technical score awarded by the evaluation committee); and

WHEREAS, as a result of this process, Lehigh Gas received both the highest and best technical score and also the highest and best revenue sharing score, and the evaluation committee has, therefore, recommended that a Contract be awarded to **Lehigh Gas Corporation** of Center Valley, Pennsylvania, which submitted the following revenue sharing proposal

Cents per Gallon (CPG) of Fuel Dispensed, and Percentage of Retail Receipts:

1. **five (5) CPG of unleaded gasoline**
 2. **five (5) CPG of Ultra Low Sulfur Diesel (“ULSD”)**
 3. **7.5% of gross (non-fuel) retail sales receipts**
- **Lehigh Gas is also proposing to pay to the Commission 30% of all net profit received on a yearly basis over and above its budgeted profit projection and has further proposed setting aside one-half (.50) CPG from fuel sales for capital improvements, which, if not spent by the end of any one contract term of five (5) years, will be returned to the Commission as additional compensation. Per the RFP, Lehigh Gas will also pay to the Commission \$60,000 per year, per Plaza in CAM fees (to increase based on the Midwest-Urban Consumer Price Index).**

WHEREAS, Lehigh Gas has also given the Commission a choice of offering the Valero or the Shell brand of fuel for sale on the Turnpike and, while both brands are viable, Lehigh has offered an additional **one-quarter (.25) CPG** for each gallon of unleaded fuel pumped if Valero is chosen; and

WHEREAS, along with its technical evaluation, the evaluation committee has submitted a report to the Commission detailing why the Valero brand is a very viable option for Turnpike travelers; and

WHEREAS, the director of contracts administration advises that: 1) the RFP conforms to the requirements of applicable statutes including Ohio Revised Code Section 5537.07 and Section 5537.13, which contemplates that the Commission will accept the “best bid” for Service Plazas operations, 2) the aforesaid proposals were solicited on the basis of the same terms and conditions with respect to all RFP respondents and potential respondents, and 3) due and full consideration has been given to the proposals received, the respondents’ qualifications and their abilities to perform the required services; and

WHEREAS, the director of contracts administration further advises that Lehigh Gas has provided a proposal guaranty of good and sufficient surety and evidence of its ability to provide the required performance bond and insurance as set forth in the RFP, and that the Commission may legally accept said proposal from Lehigh Gas; and

WHEREAS, the executive director has reviewed the evaluation committee’s and the director of contracts administration’s written recommendations and concurs with the selection of Lehigh Gas as the Commission’s Service Station Operator and the selection of the Valero brand of fuel for sale on the Ohio Turnpike; and

WHEREAS, the Commission has duly considered such recommendations and has determined that the proposal submitted by Lehigh Gas of Center Valley, Pennsylvania, is the **best** of all proposals received in response to the advertisement of said RFP, and that the Valero brand of fuel should be chosen.

NOW, THEREFORE, BE IT

RESOLVED that the proposal submitted by **Lehigh Gas Corporation** of Center Valley, Pennsylvania, is, and is by the Commission determined to be, the **best** of all proposals received for the performance of Contract SS-11 and is accepted; and

FURTHER RESOLVED that the executive director and director of contracts administration hereby are authorized to: 1) execute Contract SS-11 with **Lehigh Gas Corporation** to conduct Service Station Operations at the Commission’s fourteen (14) Service Plazas for an initial term of **five (5) years commencing January 1, 2007**; 2) direct the return of the proposal guaranty provided by all RFP respondents, with their proposals, as soon as said Contract with Lehigh Gas Corporation is executed; 3) give consent to Lehigh Gas Corporation to sell the **Valero brand** of fuel on the Ohio Turnpike; 4) extend

Contract SS-11 predicated on satisfactory performance reviews by both the Director of Service Plaza Operations and the Maintenance Engineer for no more than two (2), successive five (5) year periods, pursuant to the terms and conditions of the aforesaid Contract; and 5) to take any and all action necessary or proper to carry out the terms of said Contract; and

FURTHER RESOLVED, that, in the event a timely conversion to the new Service Station Operator is impeded by inclement weather or some other intervening circumstance, the executive director and the director of contracts administration are hereby authorized to negotiate the temporary extension of the existing contract for service station operations with Sunoco, Inc. (R&M) until such time as the conversion may successfully be completed.

(Resolution No. 44-2006 adopted November 20, 2006)