

OHIO TURNPIKE COMMISSION

Resolution Awarding a Contract for the Purchase of Regular Unleaded Gasoline/Ethanol Blend and Rejecting All Bids for Ultra Low Sulfur Diesel Fuel and Ultra Low Biodiesel Blend Fuel

WHEREAS, the Commission has advertised for bids for Invitation No. 4162 for furnishing and delivery to the Commission's eight maintenance buildings of approximately 411,000 gallons of ultra low sulfur diesel ("ULSD") fuel and ultra low biodiesel blend fuel (Group I and Group II), and approximately 267,000 gallons of unleaded gasoline/ethanol blend fuel (Group III and Group IV), for a twelve (12) month period, with an option to extend the ensuing Contract(s) for two (2) additional one-year periods; and

WHEREAS, the expenditures of the Commission for fuel purchased under Invitation No. 4162 will exceed \$150,000.00 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, bidders were asked to state the price differential per gallon that they would charge from the Oil Price Information Service ("OPIS"); and

WHEREAS, five bids were received for Group I and Group II, and four bids were received for Group III and for Group IV, which bids were reviewed by the Maintenance Engineer whose report is before the Commission; and

WHEREAS, the Maintenance Engineer has indicated that the bids received for Group I and Group II appear to be inconsistent and should be rejected due to the fact that the OPIS Index for Cleveland, Ohio referenced in the Bidding Documents has recently become inconsistent in its publication of the "B100 SME Biodiesel" price, and is, therefore, no longer a reliable source for computing the cost of biodiesel blend fuel as called for under the Invitation; and

WHEREAS, the Maintenance Engineer has indicated that the lowest responsive and responsible bids for both Group III (Maintenance Buildings west) and Group IV (Maintenance Buildings east) were submitted in the amount of **\$995,853.00** by **Petroleum Traders Corporation of Fort Wayne, Indiana** ("Petroleum Traders"), and this bidder proposes to furnish materials and services in accordance with the Commission's specifications; and

WHEREAS, the Maintenance Engineer has estimated the quantities of unleaded gasoline/ethanol blend fuel required during the next year for Group III and Group IV combined at **267,000 gallons**, and, taking into consideration the possibility of further price increases in the volatile unleaded gasoline market, has recommended that a Contract be established with Petroleum Traders in the blanket amount of **\$1,100,000.00**; and

WHEREAS, the Director of Contracts Administration has advised the Commission that it has the authority to reject all bids received for both Group I and Group II pursuant to the Bidding Documents as well as Ohio Revised Code Section 5537.07(A); and

WHEREAS, the Director of Contracts Administration has also advised the Commission that all bids for Invitation No. 4162 were solicited on the basis of the same terms and conditions and the same specifications, and that all bids received for both Group III and Group IV qualify for consideration under the Commission's Domestic and Ohio Preference Policy; and

WHEREAS, the Director of Contracts Administration has further advised the Commission that the bids of Petroleum Traders for both Group III and Group IV conform to the requirements of Ohio Revised Code Sections 5537.07 and 9.312, and that a performance bond with good and sufficient surety has been submitted by said bidder; and

WHEREAS, the Interim 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 that all bids for Group I and Group II be rejected and re-advertised upon identification of a more reliable pricing index for biodiesel fuel, and that

one Contract be awarded to the lowest responsive and responsible bidder for both Group III and Group IV, Petroleum Traders Corporation; and

WHEREAS, should the quantities of unleaded gasoline/ethanol blend purchased 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 recommendation.

NOW, THEREFORE, BE IT

RESOLVED that the bids received for Group I and Group II under Invitation No. 4162 should be rejected, and the Director of Contracts Administration is hereby directed to re-advertise for bids for ULSD and ultra low biodiesel blend fuel after identification of a more reliable pricing index for biodiesel fuel; and

FURTHER RESOLVED that the bids under Invitation No. 4162 of **Petroleum Traders Corporation of Fort Wayne, Indiana**, for both Group III and Group IV, are and are by the Commission deemed to be the lowest responsive and responsible bids received and are accepted, and the Interim Executive Director or the Director of Contracts Administration, or either of them, is hereby authorized: 1) to execute a single Contract in the blanket amount of **\$1,100,000.00** with **Petroleum Traders Corporation of Fort Wayne, Indiana** in the form heretofore prescribed by the Commission pursuant to the aforesaid Invitation, 2) to direct the return to the bidders of their bid securities, when appropriate, 3) to take any and all action necessary to properly carry out the terms of said Contract, and 4) to determine whether the Contract should be extended pursuant to the two, one-year options set forth therein, pending satisfactory performance evaluations by the Maintenance Engineer.

(Resolution No. 28-2011 adopted May 24, 2011)