

OHIO TURNPIKE COMMISSION

**Resolution Directing the Executive Director to Take Immediate Action
Concerning Extension of Service Station Contract SS-10**

WHEREAS, pursuant to Resolution No. 27-1994 adopted on April 21, 1994, the Commission awarded Service Station Contract SS-10 to Sun Company, Inc. of Philadelphia, Pennsylvania for the operation of the dual service stations, located opposite each other on both sides of the Ohio Turnpike, totaling sixteen service plazas; and

WHEREAS, said contract provided for an initial term of June 2, 1994, to June 1, 1999 and also provided that the contract may be extended for one additional five-year period at the sole discretion of the Commission; and

WHEREAS, an addendum to Contract SS-10 was executed on April 21, 1999, between the Commission and the Sun Company, Inc., which extension provided for a five (5) year term of June 1, 1999, to June 1, 2004; and

WHEREAS, the parent company, The Sun Company, Inc., over the term of the original contract and the five-year extension has undergone corporate name revisions and the subdivision which oversees the operation of the sixteen Ohio Turnpike service stations is currently referred to as Sunoco, Inc., ("Sunoco"); and

WHEREAS, during preliminary discussions among staff concerning the potential bidding process for a new service station contract, Sunoco was requested to agree to a short-term extension to the contract through September 30, 2004, under the same terms and conditions so that the Commission's staff could ascertain the manner in which a new contract could be bid and the specifications therefor; and

WHEREAS, the Commission's deputy executive director, director of contracts administration and customer services manager have extensively reviewed the current contractual arrangement, and have expressed concerns regarding conducting a competitive bidding process at this time for a service station operator due to the significant plans the Commission has with respect to completion of our Service Plaza Renovation Project, which incorporates replacement of the remaining older service plazas with "truck-oriented" service plazas located on the western and eastern ends of the Ohio Turnpike; and

WHEREAS, the impact of those "truck-oriented" service plazas on the sales of gasoline and diesel fuel at the other service plazas cannot be ascertained until after they are built and open for business; and

WHEREAS, the Commission has been pleased with the services rendered by Sunoco over the years, and both parties are agreeable to a two (2) year extension which contains three (3) options to renew for one (1) year periods and also provides that either party may terminate said contract with at least six (6) months written notice; and

WHEREAS, Sunoco has proposed modified terms of the extension that are deemed reasonable in light of current fuel pricing concerns, which do not alter the rental payments to the Commission for gasoline sales, but which do call for a new approach in terms of diesel sales that will allow for Sunoco to significantly lower the price of diesel fuel on the Ohio Turnpike in an effort to bring more truck traffic back to the toll road; and

WHEREAS, the Commission's director of contracts administration has reviewed the proposed renewal terms and has advised the executive director that the Commission has full legal authority to enter into this proposed contract extension with Sunoco.

NOW, THEREFORE, BE IT

RESOLVED that the Commission hereby authorizes and directs the executive director and director of contracts administration to execute the contract extension with **Sunoco, Inc.** under the proposed modified terms agreed to by the parties and reflecting a **two (2) year** extension period (**October 1, 2004, to September 30, 2006**), which contains three (3) options to renew for one (1) year periods.

(Resolution No. 44 -2004 adopted August 23, 2004)