

RESOLUTION 2005-35

AUTHORIZING SOLE SOURCE CONTRACT 2005- 012 WITH DOMINION EAST OHIO FOR A FULL REQUIREMENTS TRANSPORTATION SERVICE AGREEMENT FOR NATURAL GAS FOR A PERIOD OF ONE YEAR AT A PRICE NOT TO EXCEED \$400,400.00 WITH A ONE-YEAR OPTION AT A PRICE NOT TO EXCEED \$400,400.00 FOR A TOTAL CONTRACT PRICE NOT TO EXCEED \$800,800.00 (GENERAL FUND – SERVICE MANAGEMENT DEPARTMENT & FLEET MANAGEMENT DEPARTMENT BUDGETS)

WHEREAS, the Authority requires natural gas to operate its fleet of CNG coaches and natural gas to heat the Authority's facilities; and

WHEREAS, such services are only available through Dominion East Ohio, located at 1717 East 9th Street, Cleveland, Ohio 44114; and

WHEREAS, Section 306.43H(8) of the Ohio Revised Code provides that competitive bidding is not required when the purchase consists of the product or services of a public utility; and

WHEREAS, after negotiations, the offer of Dominion East Ohio to provide a full requirements transportation service agreement for natural gas at a price not to exceed \$400,400.00 for a one year period and at a price not to exceed \$400,400.00 for a one-year option for a total contract price not to exceed \$800,800.00 was agreed upon, and

WHEREAS, the General Manager/Secretary-Treasurer has deemed the offer of Dominion East Ohio, as negotiated, to be in the best interest of the Authority.

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of Dominion East Ohio to provide full service transportation of natural gas, as required, for a period of one year with a one year option be and the same is hereby accepted as in the best interest of the Authority.

Section 2. That the General Manager/Secretary-Treasurer of the Authority is authorized to enter into a contract with Dominion East Ohio to provide full service transportation of natural gas, as required, for a period of one year with the right to exercise the additional one (1) year option.

Section 3. That said contract shall be payable out of the Service Management Department and Fleet Management Department budgets, in an amount not to exceed four hundred thousand four hundred & 00/100 dollars (\$400,400.00) for a period of one (1) year with a one (1) year option in an amount not to exceed four hundred thousand four hundred & 00/100 dollars (\$400,400.00) for a total contract price not to exceed eight hundred thousand eight hundred & 00/100 dollars (\$800,800.00).

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriation of funds for future years; compliance by the contractor to the Specifications and Addenda, if any, the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2004-112, bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Dominion East Ohio will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: March 15, 2005



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

N-3

TITLE/DESCRIPTION: AUTHORIZING SOLE SOURCE CONTRACT 2005- 012 WITH DOMINION EAST OHIO FOR A FULL REQUIREMENTS TRANSPORTATION SERVICE AGREEMENT FOR NATURAL GAS FOR A PERIOD OF ONE YEAR AT A PRICE NOT TO EXCEED \$400,400.00 WITH A ONE-YEAR OPTION AT A PRICE NOT TO EXCEED \$400,400.00 FOR A TOTAL CONTRACT PRICE NOT TO EXCEED \$800,800.00 (GENERAL FUND – SERVICE MANAGEMENT DEPARTMENT & FLEET MANAGEMENT DEPARTMENT BUDGETS)	Resolution No.: 2005-35
	Date: March 10, 2005
	Initiator: Service Management & Fleet Management Departments
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a contract for the transporting of natural gas to the Authority's facilities, as required, for a period of one year with a one (1) year option.

2.0 **DESCRIPTION/JUSTIFICATION:** This contract is required to allow the transportation of the Authority's natural gas from Dominion East Ohio's East 55th Street facility to the various GCRTA facilities and bus compressors. In addition this contract assures an interrupted flow of natural gas should the Authority's Natural Gas Broker be unable to provide service.

3.0 **PROCUREMENT BACKGROUND:** This is a sole source procurement as authorized by Section 306.43H(8) of the Ohio Revised Code, which allows for a non competitive sole source procurement when the purchase consists of the product or services of a public utility.

The Authority is currently operating under a Full Requirements Transportation Services Letter of Agreement with Dominion East Ohio. This agreement takes advantage of a negotiated rate which is considerably lower than the published General Transportation Rate (GTS).

A price analysis has been performed and the Procurement Department has determined the rates to be fair and reasonable to the Authority.

4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** Does not apply.

5.0 **POLICY IMPACT:** Does not apply.

6.0 **ECONOMIC IMPACT:** This contract will be funded through the General Fund, Service Management Department and Fleet Management Department budgets in an amount not to exceed four hundred thousand four hundred & 00/100 (\$400,400.00) for a period of one (1) year with a one (1) year option in an amount not to exceed four hundred thousand four hundred & 00/100 (\$400,400.00) for a total contract price not to exceed eight hundred thousand eight hundred & 00/100 (\$800,800.00).

7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would cause the Authority to pay the premium General Sales Services Rate Schedule (GSSRS) for natural gas transportation from Dominion East Ohio's East 55th Street facility to the Authority's facilities and compressors.

8. RECOMMENDATION: It is recommended that the offer of Dominion East Ohio be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
9. ATTACHMENTS: None.

Recommended and certified as appropriate to the availability
of funds, legal form and conformance with the Procurement
Requirements.



CEO, General Manager/Secretary-Treasurer