



<b>TITLE/DESCRIPTION:</b> <b>CONTRACT:</b> INCREASE TO CONTRACT 2021-070 TO PROVIDE ADDITIONAL NATURAL GAS SUPPLY REQUIREMENTS  <b>VENDOR:</b> DIRECT ENERGY BUSINESS MARKETING, LLC DBA DIRECT ENERGY BUSINESS  <b>AMOUNT:</b> NTE \$3,000,000	<b>Resolution No.:</b> 2026-19
	<b>Date:</b> March 19, 2026
	<b>Initiator:</b> Accounting Department
<b>ACTION REQUEST:</b> <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 Greater Cleveland Regional Transit Authority ("Authority") to increase Contract 2021-070 with Direct Energy Business Marketing, LLC dba Direct Energy Business ("Direct Energy") for additional natural gas supply requirements through the current contract's expiration on July 31, 2027.
  
- 2.0 **DESCRIPTION/JUSTIFICATION:** This change order is necessary due to both natural gas consumption and market rates being higher than anticipated. The natural gas contract establishes supply requirements for heating the Authority's facilities and to compress for fueling the Authority's compressed natural gas ("CNG") buses. The Authority has experienced an increase in natural gas consumption due, in part, to the expansion of the CNG fleet at the Triskett District. Consumption has already outpaced estimates by 320,000 units over the last three years. Due to the growth of the CNG fleet and rising natural gas demand, the Authority anticipates a total budget variance of over 660,000 units by the end of the contract.
  
- 3.0 **PROCUREMENT BACKGROUND:** On August 24, 2021, the Board of Trustees, by Resolution No. 2021-082, authorized a contract with Direct Energy for the furnishing of the Authority's natural gas supply. There have been no other change orders authorized to date.
 

Natural gas costs are comprised of two components: basis and NYMEX. Basis charges include interstate transportation, pooling, and risk premium. NYMEX is the commodity, and the Authority has the ability to lock in future rates. Underestimated gas consumption and higher than anticipated locked-in NYMEX rates will result in the Authority exceeding the original contract amount.

The need to procure additional natural gas supply requirements will increase the contract amount by \$3,000,000, which is beyond the General Manager, Chief Executive Officer's \$500,000 change order signing authority. Approval of this change order will result in a new total contract amount not to exceed \$12,000,000.
  
- 4.0 **DBE BACKGROUND:** As a result of the USDOT Interim Final Rule published in the Federal Register and made effective October 3, 2025, DBE goal setting has been suspended on the Authority's projects until further notice.

- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This change order will be funded through the General Fund, Office of Management & Budget Department budget, in an amount not to exceed \$3,000,000 for a total contract amount not to exceed \$12,000,000.
- 7.0 ALTERNATIVES: Reject this change order. Rejection of this change order would cause the current contract's not-to-exceed amount to be exhausted before the contract expires, leaving the Authority's remaining natural gas supply requirements unfunded.
- 8.0 RECOMMENDATION: This change order was approved by the Change Order Committee and was discussed by the Board of Trustees at the March 3, 2026 Organizational, Services & Performance Monitoring Committee meeting. It is recommended that this change order be accepted and the resolution adopted, authorizing the General Manager, Chief Executive Officer to modify the contract.
- 9.0 ATTACHMENTS: None

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



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General Manager, Chief Executive Officer

RESOLUTION NO. 2026-19

AUTHORIZING AN INCREASE TO CONTRACT 2021-070 WITH DIRECT ENERGY BUSINESS MARKETING, LLC DBA DIRECT ENERGY BUSINESS TO PROVIDE ADDITIONAL NATURAL GAS SUPPLY REQUIREMENTS IN AN AMOUNT NOT TO EXCEED \$3,000,000 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$12,000,000 (GENERAL FUND, OFFICE OF MANAGEMENT & BUDGET DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Authority ("Authority") requires natural gas to heat the Authority's facilities and to compress for fueling the Authority's compressed natural gas ("CNG") bus fleet; and

WHEREAS, by Resolution 2021-082, the Board of Trustees authorized contract No. 2021-070 with Direct Energy Business Marketing, LLC dba Direct Energy Business ("Direct Energy"), with an office located at 194 Wood Ave., South Iselin, New Jersey 08830, to provide natural gas in an amount not to exceed \$9,000,000 for a five-year period; and

WHEREAS, the Authority's demand for natural gas outpaced the original estimated amount in the contract; and

WHEREAS, following execution of Contract 2021-070, the Authority secured natural gas commodity rates that exceeded initial projections and expectations; and

WHEREAS, Direct Energy will increase the natural gas requirements in the contract for an additional \$3,000,000, resulting in a new contract amount not to exceed \$12,000,000; and

WHEREAS, said cost increase will exceed the General Manager, Chief Executive Officer's \$500,000 change order signing authority; and

WHEREAS, the General Manager, Chief Executive Officer deems the change order with Direct Energy to continue supplying natural gas to be in the best interest of the Authority and recommends acceptance thereof by the Board of Trustees.

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

Section 1. That the General Manager, Chief Executive Officer be and she is hereby authorized to amend Contract 2021-070 with Direct Energy to provide the Authority's additional natural gas requirements.

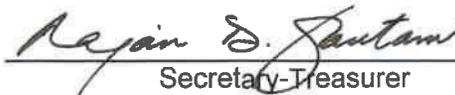
Section 2. That said increase will be funded through the General Fund, Office of Management & Budget Department budget, in an amount not to exceed \$3,000,000 for a new total contract amount not to exceed \$12,000,000.

Section 3. That all other terms and conditions of said contract shall remain unchanged.

Section 4. That this resolution shall become effective immediately upon its adoption.

Adopted: 3/24/26

  
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President

Attest:   
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Secretary-Treasurer