

RESOLUTION 2005-20

AUTHORIZING THE EXERCISE OF AN OPTION UNDER AN INTERGOVERNMENTAL AGREEMENT WITH BUTLER COUNTY REGIONAL TRANSIT AUTHORITY TO PROCURE EIGHT (8) ORION II COACHES FOR A TOTAL CONTRACT PRICE OF \$85,418.00 (RTA DEVELOPMENT FUND - FLEET MANAGEMENT DEPARTMENT BUDGET).

WHEREAS, a need was identified for additional circulator coaches to meet the demand of the Greater Cleveland Regional Transit Authority's customers; and

WHEREAS, by Resolution 2003-105, the Board of Trustees authorized an intergovernmental agreement with Butler County Regional Transit Authority for the lease of eight (8) Orion II coaches for a period of one (1) year with an option to purchase said coaches; and

WHEREAS, this intergovernmental agreement is permitted under O.R.C. 306.43(H) (4); and

WHEREAS, the General Manager/Secretary-Treasurer deems exercising the option to purchase the eight (8) Orion coaches, to be advantageous to the Authority and recommends acceptance by the Board of Trustees; and

WHEREAS, the General Manager/Secretary-Treasurer deems the negotiated price of Butler County Regional Transit Authority for the eight (8) Orion II coaches, to be most advantageous 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 offer of Butler County Regional Transit Authority to exercise the option to purchase eight (8) Orion II coaches, is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to exercise the option to purchase eight (8) Orion II Coaches under an intergovernmental agreement with Butler County Regional Transit Authority.

Section 3. That the negotiated price of eighty-five thousand four hundred eighteen & 00/100 dollars (\$85,418.00) with Butler County Regional Transit Authority for the purchase of eight (8) Orion II coaches, is hereby accepted.

Section 4. That the eight (8) Orion II coach option shall be payable out of the RTA Development Fund, Fleet Management Department budget for a total contract price of eighty five thousand four hundred eighteen & 00/100 dollars (\$85,418.00).

Section 5. That all other terms and conditions of said contract shall remain unchanged.

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

Adopted: February 15, 2005

Ben Bortzloff
Vice President

Attest: [Signature]
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

K-3

Title/Description: AUTHORIZING THE EXERCISE OF AN OPTION UNDER AN INTERGOVERNMENTAL AGREEMENT WITH BUTLER COUNTY REGIONAL TRANSIT AUTHORITY TO PROCURE EIGHT (8) ORION II COACHES FOR A TOTAL CONTRACT PRICE OF \$85,418.00 (RTA DEVELOPMENT FUND - FLEET MANAGEMENT DEPARTMENT BUDGET).	Resolution No.: 2005-20
	Date: February 10, 2005
	Initiator: Fleet Management Department
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 exercise the option as stated in the intergovernmental agreement with Butler County Regional Transit Authority (BCRTA) to purchase the eight (8) Orion II coaches, which are presently on lease to the Authority.

2.0 **DESCRIPTION/JUSTIFICATION:** On July 15, 2003 the Board of Trustees passed Resolution No. 2003-105, which authorized the General Manager/Secretary-Treasurer to enter into an intergovernmental agreement for the lease of eight (8) Orion II coaches with BCRTA, for a period not to exceed one year for a total price of \$65,000.00. The terms and conditions of the intergovernmental agreement provided for a buy-out of these vehicles at the end of the lease. The Authority has determined that the purchase of these leased vehicles is needed to continue to provide service to customers. Intergovernmental agreements are encouraged in FTA Circular 4220.1E and are permitted under the Ohio Revised Code, Section 306.43 (H)(4).

The Orion II coaches (GCRTA Fleet Nos. 6151 through 6158) are 1999 less than 30-foot low floor vehicles with 22 passenger seats, including 2 wheel chair positions. They were built as part of a consortium procurement with GCRTA at the same time as our existing 6100 Orion II fleet of 18 vehicles. Mileage on the vehicles ranges from 106,000 to 140,000 miles. These vehicles are used for GCRTA's circulator bus service.

3.0 **PROCUREMENT BACKGROUND:** The terms and conditions of the intergovernmental agreement provided that if BCRTA did not require the return of all of the leased transit vehicles, the Authority may elect to purchase the transit vehicles. The purchase price is in compliance with FTA regulations, which allows for seventy-five percent of all money paid by the Authority under the lease to be applied towards the BCRTA's remaining local equity in the vehicles.

The intergovernmental agreement states that the Authority will pay BCRTA \$500 per month per vehicle or \$6,000.00 per year, for a total contract amount of \$48,000.00. By change order, the General Manager/Secretary-Treasurer authorized the extension of the contract agreement period through February 13, 2005 and increased the contract value to compensate BCRTA for the lease period. As of February 12, 2005 the Authority will have paid BCRTA \$80,000.00 for the lease of the eight (8) Orion II coaches for a 20-month period. Seventy-five percent or \$60,000.00 will be credited toward the purchase price of the transit vehicles. The Orion II vehicle has been tested for 10 years and was purchased new in 1999 for \$207,649.00. The \$85,418.00 represents 12.8% of BCRTA's portion of the vehicle cost.

A cost analysis has been performed and the Procurement Department has determined the pricing to be fair and reasonable.

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

K-4

- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: The eight (8) Orion II coaches shall be funded through the RTA Development Fund, Fleet Management Department budget for a total price of eighty five thousand four hundred eighteen & 00/100 dollars (\$85,418.00). A credit of \$60,000.00 will be applied to the purchase price.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would result in the Authority returning the vehicles to BCRTA, which would impact the quality of service.
- 8.0 RECOMMENDATION: It is recommended that the exercise of this option be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to procure the transit vehicles.
- 9.0 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