

RESOLUTION NO. 2005- 28

AUTHORIZING SOLE SOURCE CONTRACT 2005-015 WITH
GENERAL ELECTRIC COMPANY FOR FIVE (5) MAIN CONTROLLER
GROUPS FOR THE TOKYU HRV FLEET AT A PRICE OF \$545,025.00
(RTA DEVELOPMENT FUND, RAIL DEPARTMENT BUDGET)

WHEREAS, a need to replace five (5) Main Controller Groups for the Tokyo Heavy Rail Vehicle (HRV) fleet is required; and

WHEREAS, the Ohio Revised Code, Section 306.43H(2) provides that competitive bidding is not required when a regional transit authority, after reasonable inquiry, determines that only one source of supply is reasonably available; and

WHEREAS, General Electric Company is the exclusive manufacturer of the Main Controller Groups that are used on the Authority's HRV fleet; and

WHEREAS, the offer of General Electric Company, located at 2901 East Lake Road, Erie, PA 16531, to furnish five (5) Main Controller Groups for the Authority's HRV fleet was received on February 22, 2005; and

WHEREAS, a negotiated contract price of five hundred forty-five thousand twenty-five and 00/100 dollars (\$545,025.00) was agreed upon; and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of General Electric Company to be fair and reasonable 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 General Electric Company, as negotiated, to provide five (5) Main Controller Groups for the Tokyo HRV fleet 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 be and he is hereby authorized to enter into a contract with General Electric Company for the furnishing of five (5) Main Controller Groups for the HRV fleet, as specified.

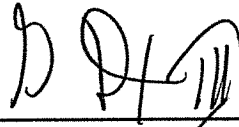
Section 3. That said contract shall be payable from RTA Development Fund, Rail District Department budget, including but not limited to Capital Grant OH-03-0226 at a price of \$545,025.00 (\$436,020.00 in Federal funds which represents 80% of the cost).

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor to the Specification 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 the contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that General Electric Company 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

G-3

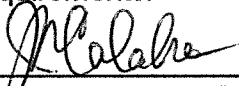
TITLE/DESCRIPTION: AUTHORIZING SOLE SOURCE CONTRACT 2005-015 WITH GENERAL ELECTRIC COMPANY FOR FIVE (5) MAIN CONTROLLER GROUPS FOR THE TOKYU HRV FLEET AT A PRICE OF \$545,025.00 (RTA DEVELOPMENT FUND, RAIL DISTRICT DEPARTMENT BUDGET)	Resolution No.: 2005 - 28
	Date: March 10, 2005
	Initiator: Rail District 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 enter into a sole source contract with General Electric Company for the purchase of five (5) Main Controller Groups (whole units) for the Tokyo HRV fleet.
- 2.0 DESCRIPTION/JUSTIFICATION: The Tokyu HRV fleet was placed in service in 1985. A Main Cam Controller Group controls modes of acceleration and deceleration of the HRV. The power driven controllers set up the motoring and dynamic braking circuits that control low and high voltage relays, which control the traction motors. A defective group will result in an inoperable vehicle. General Electric Company is the original equipment manufacturer and is the sole supplier of this equipment.
- 3.0 PROCUREMENT BACKGROUND: This sole source purchase is exempt from competitive bidding as authorized by Section 306.43H(2) of the Ohio Revised Code. General Electric Company holds the exclusive rights to this product. An industry survey showed that no other manufacturer provides a comparable main cam controller group. The Procurement Department requested a proposal from General Electric Company. After negotiations, a price of \$109,005.00 for each of the five main control groups was agreed upon. General Electric Company took exception to providing a unit price breakdown in order for the Authority to determine reasonability of price through cost analysis. This part is unique to GCRTA and no comparison of prices paid by others is available.

A cost/price analysis was performed and the Procurement Department has determined the negotiated offer to be fair and reasonable to the Authority.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of subcontracting opportunities
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This procurement will be funded through the RTA Development Fund, Rail District Department budget, including but not limited to Capital Grant OH-03-0226, Line Item 12.15.21 at a price of \$545,025.00 (\$436,020.00 in Federal funds, which represents 80% of the total cost). This price is within the budgeted estimate. The unit price of \$109,005.00 is approximately 10% above the unit cost previously paid for these units in 2003.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer may potentially cause the unsafe operation of the HRV fleet and may impact the safety of customers, operators, and the service goals of the Authority. The other alternative is to rebuild these units internally utilizing a force account, but due to lack of personnel this is currently an unacceptable alternative

- 8.0 RECOMMENDATION: It is recommended that the offer of General Electric Company be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 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