

AUTHORIZING EMERGENCY SOLE SOURCE CONTRACT NO. 98031 WITH NGV SYSTEMS INC. FOR REPLACEMENT OF CNG TANKS ON THE AUTHORITY'S 1994 AND 1995 BUSES - EST. \$2,000,000.00 - CAPITAL GRANT OH-90-X306 (\$1,600,000.00 IN FEDERAL FUNDS WHICH REPRESENTS 80% OF THE TOTAL)

WHEREAS, CNG tanks of approximately sixty-five of the Authority's eighty 1994 and 1995 CNG bus fleet have shown evidence of corrosion, which may require them to be removed from service; and

WHEREAS, the potential for corrosion in the remaining 1994 and 1995 buses poses a risk that the Authority's transit service will be jeopardized; and

WHEREAS, NGV Systems Inc. provided CNG tanks for the latest bus fleet and has an engineered and tested product immediately available for production; and

WHEREAS, NGV Systems Inc. has offered to provide such replacement tanks at a cost not to exceed two million and 00/100 dollars (\$2,000,000.00); and

WHEREAS, the General Manager deems acceptance of the offer of NGV Systems Inc. to be in the best interest of the authority, and recommends acceptance thereof by the Board of Trustees; and

WHEREAS, this condition creates an emergency as defined in Ohio Revised Code Section 306.43(H)(1)(a) and Federal Transit Administration Circular 4220.1D Paragraph 9(f)(1)(b).

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

Section 1. That an emergency is declared to exist with respect to the replacement of CNG tanks on the Authority's 1994 and 1995 bus fleets.

Section 2. That the offer of NGV Systems Inc., to replace the CNG tanks on the Authority's 1994 and 1995 coaches be and the same is hereby accepted as in the best interest of the Authority.

Section 3. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with NGV Systems Inc. to replace the CNG tanks on the Authority's 1994 and 1995 bus fleets.

Section 4. That said contract shall be payable from Capital Grant OH-90-X306 in an amount not to exceed two million & 00/100 dollars (\$2,000,000.00).

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Section 5. That said contract shall be binding upon and an obligation of the Authority contingent upon Federal Transit Administration approval of Capital Grant OH-90-X306, compliance by the contractor to the Specification and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 1996-123; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

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

Adopted: _____, 1998

President

Attest: _____
General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING EMERGENCY SOLE SOURCE CONTRACT NO. 98031 WITH NGV SYSTEMS INC. FOR REPLACEMENT OF CNG TANKS ON THE AUTHORITY'S 1994 AND 1995 BUSES - EST. \$2,000,000.00 - CAPITAL GRANT OH-90-X306 (\$1,600,000.00 IN FEDERAL FUNDS WHICH REPRESENTS 80% OF THE TOTAL)	Resolution No.: 1998-33
	Date: March 9, 1998
	Initiator: Bus Equipment 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 is to allow the Authority to enter into a contract for replacement of the CNG tanks on 80 Flxible buses in its 1994 and 1995 fleets, and to declare an emergency.

- 2.0 **DESCRIPTION/JUSTIFICATION:** As a result of routine inspections, the Authority has identified galvanic corrosion in the CNG tanks of approximately 65 of the 1994 and 1995 buses; as a result, some of these coaches have been removed from service, and others will be removed as the corrosion worsens. Additional failures are being identified at the rate of about three a week. The buses taken out of service to date have been replaced by spares, primarily buses that would otherwise be undergoing maintenance and repairs. Should additional buses develop leaks, the Authority's reserves will be depleted, forcing cuts in service.

- 3.0 **PROCUREMENT BACKGROUND:** Under Ohio Revised Code Sec. 306.43(H)(1)(a), a competitive process is not required where an emergency exists due to a condition which affects the ability of a regional transit authority to deliver transportation services; such an emergency must be declared by a two-thirds vote of the Board of Trustees. Federal Transit Administration Circular 4220.1B, Paragraph 9(f) permits a noncompetitive procurement where the public exigency or emergency for the requirement will not permit the delay resulting from a competitive solicitation. Under the Authority's Procurement Policy, in the event of an emergency, a contractor already providing similar goods or services to the Authority should be employed where possible. NGV Inc. provides the CNG tanks on the Authority's 1997 fleet, which have not experienced such leaks. NGV has worked with the Authority's mechanics in identifying the cause of the problem and a design to replace the tanks.

Flxible, the builder of the buses involved, has been liquidated as a result of bankruptcy. Comdyne, the manufacturer of the tanks involved, is no longer engaged in that line of business; the Authority has requested assistance from Comdyne in resolving this matter.

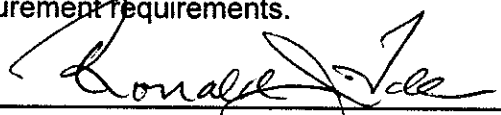
Due to the nature of an emergency, no DBE goal is established. A cost analysis has been performed and the Procurement Department has determined that the price is fair and reasonable to the Authority.

- 4.0 **POLICY IMPACT:** Does not apply.

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- 5.0 ECONOMIC IMPACT: This procurement will be funded through Capital Grant OH-90-X306 in an amount not to exceed \$2,000,000.00 (1,600,000.00 in Federal funds which represents 80% of the total).
- 6.0 ALTERNATIVES: Reject this offer. Rejection of the offer would prevent the Authority from replacing its CNG tanks, risking disruption of transit service.
- 7.0 RECOMMENDATION: It is recommended that the offer of NGV Systems Inc.. be accepted and the resolution passed authorizing the General Manager to enter into a contract.
- 8.0 ATTACHMENTS: No attachments.

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



General Manager/Secretary-Treasurer