

RESOLUTION NO. 2002-81

AUTHORIZING SOLE SOURCE CONTRACT NO. 2002-032 WITH CUMMINS INTERSTATE POWER. FOR THE PURCHASE OF UP TO TWENTY (20) TYPE L-10 DIESEL ENGINES, AS REQUIRED, FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$266,740.00 - (RTA DEVELOPMENT FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority needs to replace approximately twenty (20) Cummins L-10 diesel bus engines which are no longer suitable for service; and

WHEREAS, Cummins Interstate Power, located at 7585 Northfield Road, Cleveland, Ohio 44146 is the exclusive distributor of Cummins diesel engines in the Northeast Ohio area; and

WHEREAS, Section 306.43H(2) of the Ohio Revised Code provides that competitive bidding is not required when the purchase consists of goods or service, or any combination thereof; and after reasonable inquiry the board or any officer or employee the Board designates finds that only one source of supply is reasonably available; and

WHEREAS, the offer of Cummins Interstate Power to provide replacement diesel engines meeting EPA requirements, as required for a period of one year, was received on April 23, 2002; and

WHEREAS, after negotiations, a unit price of \$13,337.00.00 per engine, for an estimated total price of \$266,740.00, was agreed upon; and

WHEREAS, the General Manager deems acceptance of the offer of Cummins Interstate Power. as negotiated, 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 offer of Cummins Interstate Power, as negotiated, for the supply of twenty (20) L-10 diesel engines as required for a period of one year, be and the same is hereby accepted as in the best interest of the Authority.

Section 2. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with Cummins interstate Power for the provision of up to twenty (20) type L-10 diesel engines, as required, for a period of one year.

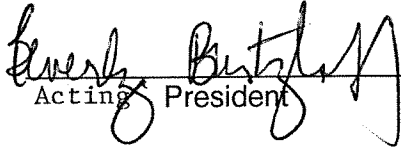
Section 3. That said contract shall be payable from the RTA Development Fund, Fleet Management Department budget, including but not limited to Capital Grant OH-90-X387 in an amount of \$266,740.00(\$ 213,392.00 in Federal Funds, which represents 80% of the total cost).

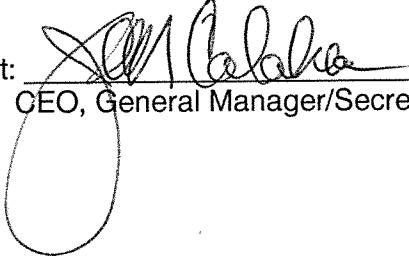
Resolution 2002-81  
Page 2

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 2001-064; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: May 21, 2002

  
Acting President

Attest:   
CEO, General Manager/Secretary-Treasurer



<b>TITLE/DESCRIPTION:</b> AUTHORIZING SOLE SOURCE CONTRACT NO. 2002-032 WITH CUMMINS INTERSTATE POWER. FOR THE PURCHASE OF UP TO TWENTY (20) TYPE L-10 DIESEL ENGINES, AS REQUIRED, FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$266,740.00 – (RTA DEVELOPMENT FUND, FLEET MANAGEMENT DEPARTMENT BUDGET).	<b>Resolution No.:</b> 2002-81
	<b>Date:</b> April 5, 2002
	<b>Initiator:</b> Fleet Management Dept.
<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:** This action will allow the Authority to enter into a contract for rebuilt Cummins L-10 engines, as required, for a period of one year. The Fleet Management Department estimates 20 engines will be needed.
  
- 2.0 **DESCRIPTION/JUSTIFICATION:** These engines will replace existing Authority bus engines in the 8800, 9000, 9100 fleets that are no longer suitable for service. The rebuilt engines certified by Cummins Engine Company, the Original Equipment Manufacturer (OEM), are the only Cummins L-10 engines to meet current EPA standards Cummins Interstate Power. is the exclusive dealer for Cummins Engine Company in the Cleveland area.
  
- 3.0 **PROCUREMENT BACKGROUND:** This is a sole source procurement, as these replacement engines must be certified to be in compliance with Federal EPA regulations. Certified engines are only available from the OEM, through its exclusive distributor, in this area, Cummins interstate Power.
 

The original quote was for \$13,337.00 per engine. That amount remained unchanged after negotiations.

The offer of Cummins Interstate Power has been determined by the Procurement Department to be a responsive bid from a responsible bidder.

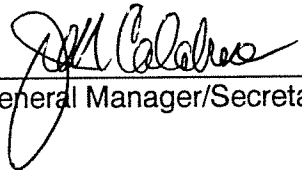
A cost/price analysis has been performed and the Procurement Department has determined the price to be fair and reasonable to the Authority.
  
- 4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** All Affirmative Action requirements have been met. Staff established a 0% DBE goal for this procurement due to insufficient subcontracting opportunities.
  
- 5.0 **POLICY IMPACT:** Does not apply.
  
- 6.0 **ECONOMIC IMPACT:** This procurement will be funded through the RTA Development Fund, Fleet Management Department Budget, including but not limited to Capital Grant OH-90-X387, line item 11.12.40, in the amount of \$266,740.00 (\$213,392.00 in Federal Funds, which represents 80% of the total cost).
  
- 7.0 **ALTERNATIVES:** Rejection of the offer of Cummins Interstate Power would delay the procurement of Cummins engines and risk not having replacement engines which meet EPA guidelines, possibly forcing the removal of coaches from service.

F-4

STAFF SUMMARY & COMMENTS  
Detroit Diesel Rebuilt Engines  
Page 2

- 8.0 RECOMMENDATION: It is recommended that the offer of Cummins Interstate Power, Inc. be accepted and the resolution passed authorizing the General Manager 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