

RESOLUTION NO. 2002 - 106

AUTHORIZING CONTRACT 2002 -053 WITH PENN MACHINE COMPANY FOR THREE HUNDRED STEEL WHEELS AND RESILIENT DISCS FOR A TOTAL EXPENDITURE OF \$463,500.00 (RTA DEVELOPMENT FUND –RAIL DISTRICT DEPARTMENT BUDGET)

WHEREAS, The Authority requires the replacement of steel wheels and resilient discs as part of its regular maintenance program; and

WHEREAS, the bid of Penn Machine Company located at 106 Station Street, Johnstown, PA 15905 for three hundred 28" steel wheels and resilient discs was received on the 7th day of May, 2002 for the unit prices set forth in said bid, involving an estimated expenditure of \$477,900.00; and

WHEREAS, said bid was the only responsive bid received in response to the solicitation; and

WHEREAS, Section 306.43(B) of the Ohio Revised Code provides that when less than two responsive bids are received from responsible bidders, a regional transit authority may negotiate price with the sole responsible bidder, and

WHEREAS, after negotiations, an amount of \$463,500.00 was accepted as reasonable and in the best interest of the Authority, and

WHEREAS, the General Manager deems acceptance of the offer of Penn Machine Company 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 Penn Machine Company for the three hundred disc steel wheels and the required resilient discs, as negotiated, be and the same is hereby accepted.

Section 2. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with Penn Machine Company for three hundred steel wheels and resilient discs.

Section 3. That said contract shall be payable from the RTA Development Fund, Rail District Department Budget including but not limited to Capital Grant OH-03-0136 (\$417,150.00 in Federal Funds, which represents 80% of the total cost).

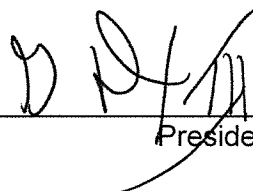
Section 4. That said contract shall incorporate and be consistent with the proposal received May 7, 2001, as modified by negotiations.

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Section 5. That said contract shall be binding upon and 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 6. That this resolution shall become effective immediately upon its adoption.

Adopted: June 18, 2002



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President

Attest:   
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CEO, General Manager/Secretary-Treasurer



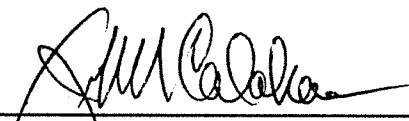
TITLE/DESCRIPTION: AUTHORIZING CONTRACT 2002 -053 WITH PENN MACHINE COMPANY FOR THREE HUNDRED STEEL WHEELS AND RESILIENT DISCS FOR A TOTAL EXPENDITURE OF \$463,500.00 (RTA DEVELOPMENT FUND- RAIL DISTRICT DEPARTMENT BUDGET).	Resolution No.: 2002 - 106
	Date: June 7, 2002
	Initiator: Rail District Department
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 resolution will allow the Authority to enter into a contract with Penn Machine Company located at 106 Station Street, Johnstown, PA 15905 for 300 - 28" steel wheels and resilient discs for the Breda LRV Fleet.
  
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority uses the wheels on the Authority's Breda fleet to reduce shock, noise and wear as well as providing a smoother ride for the Authority's customers. These wheels and resilient discs are replacements for worn wheels and discs. During regular maintenance these wheels are periodically replaced due to wear. Wheels are periodically machined to the proper thread profile and after they become less than 26" they can no longer be machined and need to be replaced. The resilient pads (discs) are replaced whenever a new wheel is installed or due to aging caused by heat and uneven compression due to load factors. Wheels that are out of tolerance or excessively worn can cause excessive wear to gearboxes, traction motors and brakes and cause problems with the coupling of the vehicles. Out of tolerance wheels are also a contributing factor in derailments of vehicles thus causing a safety factor for our employees and customers.
  
- 3.0 PROCUREMENT BACKGROUND: We have contacted the other potential vendor to find interest in the steel wheels and were advised that they feel that they could not be competitive with the offer. The last procurement was for 300 wheels in 1999 at a unit cost of \$1,394.00 from Penn Machine Co. The current unit cost will be \$1,545.00 each a 10% increase from the last purchase in 1999.  
  
 Ohio Revised Code Section 306.43(H)(2) allows for award of a sole source contract based upon a determination by the Board of Trustees, an officer or an employee of the Authority that there is only one source reasonably available for these items.  
  
 The Procurement Department conducted negotiations with Penn Machine Company and was able to reduce the unit cost for these steel wheels by \$48.00 (3%) for a total savings of \$14,400.00 reducing the total expenditure from \$477,900.00 to \$463,500.00 for the 300 steel wheels and resilient discs.  
  
 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 DBE / AFFIRMATIVE ACTION BACKGROUND: All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of subcontracting opportunities.

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- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: The procurement will be payable from the RTA Development Fund , Rail District Department budget, including but not limited to Capital Grant OH-03-0136 , Line Item 12.12.40 (\$417,150.00 in Federal Funds, which represents 80% of the total cost). The offered price is above the budgeted estimate of \$451,000.00 established by the inventory department for this procurement.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer will result in the delay of the procurement of the steel wheels and resilient discs and risk not having these parts available to meet the needs of the Authority in a timely fashion. It also could possibly affect the GCRTA's safety and integrity of the system on the LRV fleet.
- 8.0 RECOMMENDATION: It is recommended that the offer of Penn Machine Company be accepted and the resolution be passed authorizing the General Manager to enter into a contract.
- 9.0 ATTACHMENTS: No attachments.

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

  
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CEO, General Manager – Secretary / Treasurer