

RESOLUTION NO. 2003- 061

AUTHORIZING SOLE SOURCE CONTRACT
2002-153 WITH GENERAL ELECTRIC COMPANY FOR
EIGHT (8) MAIN CONTROLLER GROUPS FOR THE
TOKYU HRV FLEET AT A PRICE OF \$778,000.00 (RTA
DEVELOPMENT FUND, RAIL DISTRICT DEPARTMENT
BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority requires main controller groups for the HRV fleet; and

WHEREAS, the offer of General Electric Company, located at 2901 East Lake Road, Erie, PA 16531, to furnish eight (8) Main Controller Groups for the Authority's Heavy Rail Vehicle (HRV) fleet was received by the Authority and negotiated for a contract price of seven hundred seventy eight thousand and 00/100 dollars (\$778,000.00); and

WHEREAS, Section 306.43(H)(2) of the Ohio Revised Code 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 has proprietary rights in the Main Controller Groups currently available for use on the Authority's HRV fleet; and

WHEREAS, the General Manager 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 General Manager of the Authority be and he is hereby authorized to enter into a contract with General Electric Company for the furnishing of eight (8) Main Controller Groups for the HRV fleet, as specified.

Section 2. That said contract shall be payable from the RTA Development Fund, Rail District Department Budget, including but not limited to Capital Grant OH-03-0186 in the amount of \$778,000.00 (\$622,400 in Federal funds which represents 80% of the total cost).

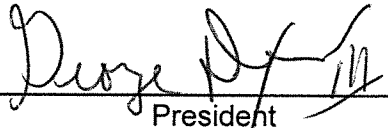
Section 3. That the terms of such contract shall be consistent with the offer of General Electric Company as modified by negotiations.

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 2002-120; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

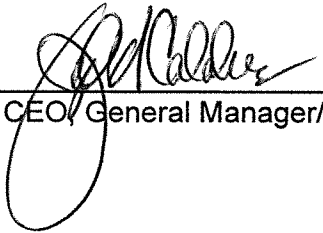
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Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: May 20, 2003



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING SOLE SOURCE CONTRACT 2002-153 WITH GENERAL ELECTRIC COMPANY FOR EIGHT (8) MAIN CONTROLLER GROUPS FOR THE TOKYU HRV FLEET AT A PRICE OF \$778,000.00 (RTA DEVELOPMENT FUND, RAIL DISTRICT DEPARTMENT BUDGET)	Resolution No.: 2003 - 061
	Date: May 15,2003
	Initiator: Rail District
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 (GE) for Main Controller Groups (entire units) for the HRV fleet.

- 2.0 DESCRIPTION/JUSTIFICATION: The Tokyu HRV fleet was placed in service in 1985. A Main Controller Group controls modes of acceleration and deceleration of the HRV. The power driven controllers set up the motoring and dynamic braking circuits which control low and high voltage relays, which control the traction motors. A defective group will result in an inoperable vehicle. GE is the original equipment manufacturer and is the sole supplier of this equipment.

- 3.0 PROCUREMENT BACKGROUND: This procurement has been determined as a sole source procurement as authorized by Section 306.43(H)(2) of the Ohio Revised Code. General Electric holds the exclusive rights to this product. An industry survey showed that no other manufacturer provides a comparable main controller. The Procurement Department requested and received a proposal from General Electric for \$97,250.00 each for the eight main control groups. This is the same price that was paid for these units in 2000 when the first replacement units were purchased. General Electric 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 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.

- 5.0 POLICY IMPACT: Does not apply.

- 6.0 ECONOMIC IMPACT: This procurement will be payable from the RTA Development Fund, Rail District Department Budget, including but not limited to Capital Grant OH-03-0186, Line Item 12.12.40, in the amount of \$778,000, (\$622,400 in Federal Funds, which represents 80% of the total cost) .The total cost is within the budgeted estimate of \$800,000.00. The unit price of \$97,250.00 is approximately 2.75% below the \$100,000.00 per unit cost estimated for 8 units.

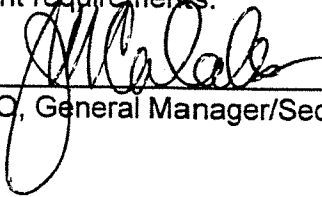
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer may potentially cause the limited operation of the HRV fleet and would impact our customers, operators, and the service goals of the Authority.

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- 8.0 RECOMMENDATION: It is recommended that the offer of General Electric Company 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