

RESOLUTION NO. 2004-39

AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN ELECTRIC SERVICE CONTRACT WITH THE CLEVELAND PUBLIC POWER, AS REQUIRED, FOR A PERIOD OF FIVE (5) YEARS, AT A PRICE NOT TO EXCEED \$1,211,052.00 (GENERAL FUND, SERVICE MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, electric power for Triskett Garage has been provided by Cleveland Public Power ("CPP"); and

WHEREAS, a new Triskett Garage is currently under construction; and

WHEREAS, it has been determined that it is in the best interest of the Authority for electric service at Triskett Garage to be provided to the Authority by CPP; and

WHEREAS, the Authority, as a political subdivision of the State of Ohio is exempted from competitive procurement of utilities under the provisions of O.R.C. 306.43(H)(8); and

WHEREAS, the Authority is a political subdivision of the State of Ohio, and CPP has agreed to provide reduced rates as authorized by O.R.C. 4905.34.

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/Secretary-Treasurer be and he is hereby authorized to execute an agreement with CPP for electric service at the new Triskett Garage for a period of five years.


Section 2. That this agreement shall supersede any other agreements between the Authority and CPP.

Section 3. That said contract shall be payable from the General Fund, Service Management Department budget, at an amount not to exceed one million two hundred eleven thousand and fifty two & 00/00 dollars (\$1,211,052.00), for a period of five (5) years.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriation of funds for future years, compliance by the contractor to the Specification and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2003-107; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

Section 5. This resolution shall become effective immediately upon its adoption.

Adopted: March 16, 2004



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

N -2

TITLE/DESCRIPTION: AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN ELECTRIC SERVICE CONTRACT WITH THE CLEVELAND PUBLIC POWER, AS REQUIRED, FOR A PERIOD OF FIVE (5) YEARS, AT A PRICE NOT TO EXCEED \$1,211,052. (GENERAL FUND, SERVICE MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2004-39
	Date: March 11, 2004
	Initiator: Service Management Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

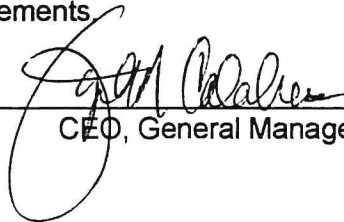
- 1.0 PURPOSE/SCOPE: This resolution will authorize a contract with Cleveland Public Power (CPP) for electric service to Triskett Garage on a requirement basis.
- 2.0 DESCRIPTION/JUSTIFICATION: GCRTA's electric power for Triskett Garage has always been purchased from CPP. CPP also provides electricity requirements to the GCRTA Main Office, CRT, one (1) substation, three (3) bus loops, and the West 65th Street Station. CPP is limited to providing service to locations within the City limits of Cleveland.
- 3.0 PROCUREMENT BACKGROUND: This is a negotiated contract for the purchase of a public utility service exempt from competitive bidding by Ohio Revised Code Section 306.43. CPP offered GCRTA reduced electric rates and other considerations. A new contract was then negotiated between GCRTA and CPP. The significant features of this agreement are:
 - a) CPP will design and construct a new substation at Triskett Garage providing design and construction cost savings of \$250,000. This agreement will increase design and construction costs for a new Duct Bank at Triskett Garage by \$60,000. This will result in a net savings to the design and construction of Triskett Garage of \$190,000. GCRTA will be processing change orders to those contracts under our administrative change order process.
 - b) CPP will attach the Primary Feeder and Secondary Cabling .
 - c) CPP will provide maintenance for the substation and relative transformers .
 - d) A study of the average electric costs for a one (1) year period at the existing Hayden and Harvard Garage facilities (excluding the CNG plant), yields a potential monthly savings for the new Triskett Garage of \$7,587, an annual savings of \$91,044, and a five year savings of \$455,220. CPP proposes a five (5) year agreement to recover their capital outlay.
 - e) Under this agreement, CPP will continue to be the sole provider of electricity to GCRTA facilities they currently service. The new agreement does not affect GCRTA facilities that are served by other providers (i.e., Cleveland Electric Illuminating Company).

A price analysis has been performed by the Procurement Department and the price has been determined to be fair and reasonable to the Authority.

N-3

- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: All Affirmative Action requirements have been met. The Office of Business Development did not establish goals on this contract due to the nature of this procurement.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: The agreement will ensure better fiscal and administrative management by GCRTA in determining annual budgetary allocations for purchased electric power. The contract will be funded from the General Fund, Service Management Department budget, at an amount not to exceed one million two hundred eleven thousand and fifty two & 00/00 dollars (\$1,211,052.00), for a period of five (5) years. This contract will commence with the scheduled completion of the Triskett Garage construction in June, 2005.
- 7.0 ALTERNATIVES: Rejection of this offer will result in GCRTA paying higher rates for electricity than the proposed rates.
- 8.0 RECOMMENDATION: It is recommended that the offer of CPP be accepted and the General Manager be authorized to enter into an electrical service agreement.
- 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