

RESOLUTION 2005-9

AUTHORIZING THE EXERCISE OF AN OPTION TO CONTRACT 2000-14B WITH NORTH AMERICAN BUS INDUSTRIES INC. TO PROCURE 47 LOW FLOOR FORTY FOOT COACHES AND MISCELLANEOUS SPARE PARTS FOR DELIVERY IN 2005 AT A PRICE OF \$15,264,274.60, AND 45 LOW FLOOR FORTY FOOT COACHES AND MISCELLANEOUS SPARE PARTS FOR DELIVERY IN 2006 AT A PRICE OF \$14,626,466.60 FOR A TOTAL CONTRACT PRICE OF \$29,890,741.20 (RTA DEVELOPMENT FUND - FLEET MANAGEMENT DEPARTMENT BUDGET).

WHEREAS, the Authority has a need to replace transit coaches that have exceeded their useful life; and

WHEREAS, by Resolution 2001-067, the Board of Trustees authorized Contract 2000-14B with North American Bus Industries Inc. located at 106 National Drive, Anniston, AL 36027 to provide 225 low floor coaches and miscellaneous spare parts with an option for an additional 200 low floor coaches and miscellaneous spare parts for a total contract award of \$66,960,594.45; and

WHEREAS, the Authority has been an industry leader in utilizing environmentally friendly technologies; and

WHEREAS, the General Manager/Secretary-Treasurer deems exercising the option to procure 47 coaches for delivery in the year 2005, and 45 coaches for delivery in the year 2006, to be advantageous to the Authority; and

WHEREAS, the General Manager/Secretary-Treasurer deems the proposed price of North American Bus Industries Inc. for 47 coaches and miscellaneous spare parts for delivery in 2005, and 45 coaches and miscellaneous spare parts for delivery in 2006, to be most advantageous 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 North American Bus Industries Inc. to exercise the option to provide low floor forty-foot coaches and miscellaneous spare parts is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to exercise the option to Contract 2000-14B with North American Bus Industries Inc. to procure 92 low floor coaches and miscellaneous spare parts.

Section 3. That the proposal submitted by North American Bus Industries Inc. for 47 low floor forty foot coaches and miscellaneous spare parts for delivery in 2005, and 45 low floor forty foot coaches and miscellaneous spare parts for delivery in 2006 be and the same is hereby accepted.

Section 4. That the 47 coach option shall be payable out of the RTA Development Fund, Fleet Management Department budget, including but not limited to Capital Grants OH-90-X466-01 in the amount of \$4,500,000, OH-90-X499 in the amount of \$6,796,619 and future funding to be determined at a total price of \$15,264,274.60; and the 45 coach option be payable out of the RTA Development Fund, Fleet Management Department budget (contingent upon Board Approval of the 2006 Operating and Capital Budget) at a price of \$14,626,466.60 for a total contract option price of \$29,890,741.20 (\$11,296,619 in available Federal Funds which represents approximately 38% of the total contract option price).

Section 5. That all other terms and conditions of said contract shall remain unchanged.

Section 6. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects North American Bus Industries Inc. will attempt to exceed the 0% DBE goal assigned to this procurement.

Section 7. That this resolution shall become effective immediately upon its adoption.

Adopted: January 18, 2005



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Title/Description: AUTHORIZING THE EXERCISE OF AN OPTION TO CONTRACT 2000-14B WITH NORTH AMERICAN BUS INDUSTRIES INC. TO PROCURE 47 LOW FLOOR FORTY FOOT COACHES AND MISCELLANEOUS SPARE PARTS FOR DELIVERY IN 2005 AT A PRICE OF \$15,264,274.60, AND 45 LOW FLOOR FORTY FOOT COACHES AND MISCELLANEOUS SPARE PARTS FOR DELIVERY IN 2006 AT A PRICE OF \$14, 626,466.60FOR A TOTAL CONTRACT PRICE OF \$29,890,741.20 (RTA DEVELOPMENT FUND - FLEET MANAGEMENT DEPARTMENT BUDGET).	Resolution No.: 2005- 9
	Date: January 13, 2005
	Initiator: Fleet 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 action will allow the Authority to exercise the option on Contract 2000-14B for low floor forty-foot transit coaches to replace transit coaches purchased in 1991, 1992 and 1994, which have exceeded their useful life.

- 2.0 **DESCRIPTION/JUSTIFICATION:** On April 24, 2004 the Board of Trustees passed resolution 2001-067, which authorized the General Manager/Secretary-Treasurer to enter into a contract with North American Bus Industries Inc., for the purchase of 225 low floor coaches with an option for an additional 200 low floor coaches and miscellaneous spare parts.

- 3.0 **PROCUREMENT BACKGROUND:** North American Bus Industries, Inc. was awarded Contract 2000-14B as a result of a competitive Request for Proposal process. The proposal was for 225 low floor coaches with an option for an additional 200 low floor transit coaches.

 The option purchase for the low floor forty-foot coach will utilize an environmentally friendly engine, which is fully compliant, and EPA certified for public transit.

 A cost analysis has been performed and the Procurement Department has determined the option pricing to be fair and reasonable.

 The procurement of the option is contingent upon the review and compliance of the pre-award and Buy American Audits.

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. The Office of Business Development does not establish goals on Transit Vehicle Manufacturer (TVM) contracts. However, per the FTA regulations, the Office of Business Development has received and reviewed the North American Bus Industries, Inc. (NABI) TVM Certification and 2005 DBE goal submitted to FTA, as required before contract award.

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

- 6.0 **ECONOMIC IMPACT:** The 47 coach option shall be payable out of the RTA Development Fund, Fleet Management Department budget, including but not limited to Capital Grants OH-90-X466-01, Line Item 11.12.01 in the amount of \$4,500,000, OH-90-X499, Line Item 11.12.01 in the amount of \$6,796,619 and future funding to be determined at a total price of \$15,264,274.60; and the 45 coach option be payable out of the RTA Development Fund, Fleet Management Department budget (contingent upon Board Approval of the 2006 Operating and Capital Budget) at a price of \$14,626,466.60 for a total contract option price of \$29,890,741.20 (\$11,296,619 in available Federal funds which represents approximately 38% of the total contract option price).
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would cause delays in the procurement of replacement vehicles and cause the Authority to use vehicles, which have exceeded their useful life.
- 8.0 **RECOMMENDATION:** This contract option was reviewed by the Operations Committee at their January 4, 2005 meeting and recommended for approval by the Board of Trustees. It is recommended that the exercise of this option be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to amend the contract, contingent upon funding availability for said option.
- 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