

RESOLUTION NO. 2005-157

AUTHORIZING SOLE SOURCE CONTRACT NO. 2005-140 WITH MCQUAY FACTORY SERVICE TO REPLACE AND INSTALL FOURTEEN (14) MCQUAY ROOFTOP HEAT EXCHANGERS AT A PRICE OF \$85,722.06 (RTA CAPITAL FUND, ENGINEERING AND PROJECT DEVELOPMENT DEPARTMENT BUDGET)

WHEREAS, the Authority requires the installation of replacement rooftop heat exchangers to provide adequate heat at the Hayden District Bus Garage; and

WHEREAS, McQuay Factory Service has product warranty rights under the original construction contract for the Hayden District Bus Garage; and

WHEREAS, the existing product warranty covers the costs of the replacement units but not the installation charges; and

WHEREAS, Section 306.43 (H) (2) states that competitive procedures are not required when the purchase consists of goods or services, 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 McQuay Factory Service, located at 13600 Industrial Park Boulevard, Minneapolis, MN 55440 to replace and install fourteen (14) McQuay rooftop heat exchangers, as specified, was received; and

WHEREAS, the installation cost, after negotiation, is a total price of eighty five thousand seven hundred twenty two & 06/100 dollars (\$85,722.06); and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of McQuay Factory Service 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 offer of McQuay Factory Service to replace and install fourteen (14) rooftop heat exchangers is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with McQuay Factory Service for the replacement and installation of fourteen (14) heat exchangers, as specified.

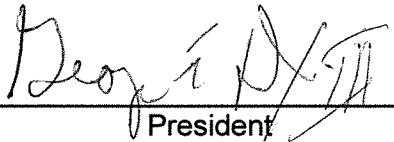
Section 3. That said contract shall be payable from RTA Capital Fund, Engineering and Project Development budget at a price of eighty five thousand seven hundred twenty two & 06/100 dollars (\$85,722.06).

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 2005-051; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that McQuay Factory Service will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: November 15, 2005

  
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President

Attest:   
\_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority  
**STAFF SUMMARY AND COMMENTS**

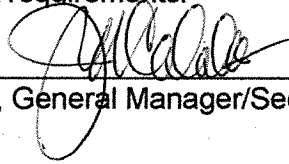
<b>TITLE/DESCRIPTION:</b> AUTHORIZING SOLE SOURCE CONTRACT NO. 2005-140 WITH MCQUAY FACTORY SERVICE TO INSTALL FOURTEEN (14) MCQUAY ROOFTOP HEAT EXCHANGERS AT A PRICE OF \$86,722.06 (RTA CAPITAL FUND, ENGINEERING AND PROJECT DEVELOPMENT DEPARTMENT BUDGET)	<b>Resolution No.:</b> 2005-157
	<b>Date:</b> November 10, 2005
	<b>Initiator:</b> Engineering & Project Development
<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/SCOPE:** This action will allow the Authority to enter into a sole source contract with McQuay Factory Service to install fourteen (14) rooftop heat exchange units at the Hayden District Bus Garage.
- 2.0 **DESCRIPTION/JUSTIFICATION:** There are nineteen (19) McQuay rooftop-heating units located at the Hayden District Bus Garage. An inspection was made to determine the condition of the rooftop units to assure the bus garage maintains adequate heat throughout the winter months. It was determined that fourteen (14) of the nineteen (19) units were in need of replacement. McQuay Factory Service, the original equipment manufacturer, will replace the units under the Authority's product warranty, which covers parts only. This warranty was established under the original Hayden District Bus Garage construction contract. This new contract will cover the required labor and materials necessary to complete the installation of the units.
- 3.0 **PROCUREMENT BACKGROUND:** This is a sole source procurement as authorized by Section 306.43(H)(2) of the Ohio Revised Code. McQuay Factory Service holds the exclusive rights to this product under their warranty. The Procurement Department requested and received a proposal from McQuay Factory Service for the installation of fourteen (14) heat exchangers. McQuay Factory Service has agreed to replace the fourteen defective heat exchangers under the Product Warranty. McQuay provided a unit price breakdown in order for the Procurement Department to determine reasonability of price through cost analysis. A cost analysis was performed and the Procurement Department has determined the negotiated offer to be fair and reasonable to the Authority.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of certified DBE firms.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This procurement will be payable from the RTA Capital Fund, Engineering and Project Development Department budget at a price of eight five thousand seven hundred twenty two & 06/100 dollars (\$85,722.06). This price is 9.5% below the budgeted amount of \$94,720.00.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer may potentially cause an unsafe environment at the Hayden District Bus Garage.

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- 8.0 RECOMMENDATION: It is recommended that the offer of McQuay Factory Service be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer 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.



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CEO, General Manager/Secretary-Treasurer