

RESOLUTION NO. 2008-16

AUTHORIZING CONTRACT NO. 2007-029 WITH HK SYSTEMS, INC. FOR THE REBUILD OF THE MINI-LOAD STORAGE AND RETRIEVAL MACHINES IN THE INVENTORY DEPARTMENT AT THE CENTRAL BUS MAINTENANCE FACILITY IN AN AMOUNT NOT TO EXCEED \$750,000.00 (RTA DEVELOPMENT FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority requires the rebuild of the current twenty-five (25) year old retrieval system for small parts at Central Bus Maintenance Facility – Inventory Section of the Fleet Management Department; and

WHEREAS, the proposal of HK Systems, Inc. located at 2855 South James Drive, New Berlin, WI 53151 to provide this equipment and installation services was received on June 28, 2007; and

WHEREAS, after negotiations, the proposal of HK Systems, Inc. to provide this service in an amount not to exceed \$750,000.00 was determined to be the most advantageous to the Authority, cost and other factors considered; and

WHEREAS, the General Manager/Secretary-Treasurer deems the negotiated offer of HK Systems, Inc. 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 HK Systems, Inc., as negotiated, to provide equipment and installation services for the rebuild of the mini-load storage and retrieval machines be and the same 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 HK Systems, Inc. to accomplish this work.

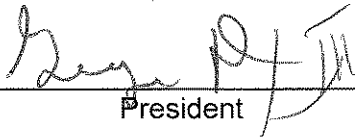
Section 3. That said contract shall be payable out of the RTA Development Fund, Fleet Management Department budget, including but not limited to Capital Grant OH-90-X531 in an amount not to exceed \$750,000.00 (\$600,000.00 in Federal funds which represents 80% of the total cost) for a total contract amount not to exceed \$750,000.00. This contract is contingent upon FTA approval of a budget revision.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2007-064; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects HK Systems, Inc. will attempt to exceed the 0% DBE goal assigned to this procurement.

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

Adopted: February 19, 2008



President

Attest: _____
CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2007-029 WITH HK SYSTEMS, INC. FOR THE REBUILD OF THE MINI-LOAD STORAGE AND RETRIEVAL MACHINES IN THE INVENTORY DEPARTMENT AT THE CENTRAL BUS MAINTENANCE FACILITY IN AN AMOUNT NOT TO EXCEED \$750,000.00 (RTA DEVELOPMENT FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2008-16
	Date: February 14, 2008
	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 rebuild the twenty-five year old mini-load retrieval system in the Inventory Section located at Central Bus Maintenance Facility.

2.0 **DESCRIPTION/JUSTIFICATION:** This project provides for the rebuild of the two small load retrieval systems originally installed in 1982 by P&H Company at Central Bus Maintenance Facility, Inventory Section of the Fleet Management Department. The two retrievers are in operation, but due to wear and obsolescence, must be replaced with minimum impact on RTA operations. The new system needs to provide two retrieval systems to serve the existing storage bin stacks and RTA's inventory control system.

3.0 **PROCUREMENT BACKGROUND:** A Request for Proposal was posted on the GCRTA procurement website and advertised in the local newspapers. Nine (9) potential proposers downloaded this solicitation, and one proposal was received. After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, and after an interview, the negotiated proposal of HK Systems, Inc. in an amount not to exceed \$750,000 was determined to be advantageous to the Authority, cost and other factors considered.

HK Systems, Inc. was established in the late 1960's as the automation arm of a Fortune 300 company (P&H). After becoming a privately held company they began to develop quality, American made material handling systems, including software and components for those systems. HK Systems, Inc. has worked with the Authority over several years supplying replacement parts for the current system but due to age and obsolescence, can no longer provide the necessary material to continue to support the current system. Other clients of HK Systems, Inc. include Delta Airlines, Merck & Co., Parker Hannifin, Alcoa, General Electric, Long Island Railroad, and U S Airways.


A cost analysis has been performed and the Procurement Department has determined that the negotiated price of HK Systems, Inc. is 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 contract will be funded through the RTA Development Fund, Fleet Management Department budget, including but not limited to Capital Grant OH-90-X531, Line item 11.42.20 in an amount not to exceed \$750,000.00 (\$600,000.00 in Federal funds which represents 80% of the total cost) for a total contract amount not to exceed \$750,000.00. This contract is contingent upon FTA approval of a budget revision.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer will delay procurement of the replacement system leaving the Authority without updated equipment and the potential inability to supply the necessary small parts to the requesting Districts for required repairs to bus and rail fleets.
- 8.0 RECOMMENDATION: It is recommended that the offer of HK Systems, Inc., as negotiated, 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.



CEO, General Manager/Secretary-Treasurer