

RESOLUTION NO. 2008-118

AUTHORIZING CONTRACT NO. 2008-165 WITH TSS, INC. FOR THE FURNISHING OF 400 HRV STEEL WHEELS FOR THE TOKYU FLEET AS SPECIFIED AT A PRICE OF \$607,600.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority requires replacement steel wheels for the performance of the revenue rail fleet; and

WHEREAS, the single bid of TSS, Inc. to supply 400 HRV 28" steel wheels, as specified, was received on July 23, 2008; and

WHEREAS, said bid was the only responsive bid received in response to the solicitation; and

WHEREAS, Section 306.43B of the Ohio Revised Code provides that when less than two responsive bids are received from responsible bidders, a regional transit authority may negotiate a price with the sole responsible bidder; and

WHEREAS, after negotiations, an amount of six hundred seven thousand six hundred and 00/100 dollars (\$607,600.00) was accepted based on the contract requirements and unit prices bid for the furnishing of four hundred (400) 28" steel wheels for the Authority's HRV fleet; and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of TSS, 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 TSS, Inc. to supply 400 HRV steel wheels, as specified, be and the same is hereby accepted as the lowest responsive bid from a responsible bidder.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with TSS, Inc. for the furnishing of 400 steel wheels for the HRV fleet, as specified.

Section 3. That said contract shall be paid out of the General Fund, Fleet Management Department Budget in the amount of six hundred seven thousand six hundred & 00/100 dollars (\$607,600.00).

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 thereto, if any, the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2008-061; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

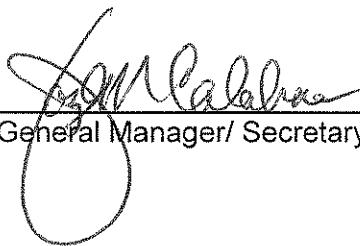
Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that TSS, Inc. will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

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

Adopted: August 19, 2008



President

Attest: 

CEO, General Manager/ Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2008-165 WITH TSS, INC. FOR THE FURNISHING OF 400 HRV STEEL WHEELS FOR THE TOKYU FLEET, AS SPECIFIED, AT A PRICE OF \$607,600.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2008-118
	Date: August 14, 2008
	Initiator: Fleet Management
ACTION REQUEST: <input 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 contract for the furnishing of 400 Tokyu HRV steel wheels, as specified.
- 2.0 **DESCRIPTION/JUSTIFICATION:** Steel wheels are a consumable part of the Tokyu HRV fleet. When new, the wheels have an outside diameter that measures 28". When in service, the wheels develop flat spots. When this occurs, the surface of the wheels must be ground to ensure proper sizing per axle. The maximum a wheel can be ground down to is 26" in diameter, thereafter it must be replaced. This procedure ensures less wear on the gearboxes and other mechanical parts of the fleet and provides a smoother and safer ride for our customers.
- 3.0 **PROCUREMENT BACKGROUND:** The Invitation for Bid was posted on the Procurement web site and advertised in the local newspapers. Two (2) bid packages were downloaded from the web site for the solicitation. One responsive and responsible bid was received on July 23, 2008. A survey of prospective bidders was conducted by the Procurement Department, which indicated other vendors were unable to bid competitively for the wheels at this time due to the cost of steel, exchange rates and valuation of the dollar. The one bid received was as follows:


	<u>Per Wheel</u>	<u>Total Cost</u>
TSS, Inc. 18168 Amanda Lane New Freedom, PA 17349	\$1,519.00	\$607,600.00

Ohio Revised Code Section 306.43(B) provides that in the case of a single bid being received, the Authority may negotiate the price with the vendor. Negotiations failed to achieve a price reduction from TSS. In the past, TSS, Inc. provided these wheels through a third source. Currently, RTA was able to eliminate the in between vendor, at a substantial savings to the Authority. There are no domestic sources for these wheels which are produced in Czech Republic. A price analysis has been performed and the bid of TSS has been determined by the Procurement Department to be fair 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 shall be payable from the General Fund, Fleet Management Department Budget, in the amount of six hundred seven thousand six hundred & 00/100 dollars (\$607,600.00). The price is approximately 4.5% above the estimate for this item.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of all bids would delay the procurement of the steel wheels and risk not having wheels available to meet the needs of the Authority in a timely manner. The current lead time for these wheels is six to eight months. Also, rejection of this bid may potentially cause the unsafe operation of the HRV fleet and may impact the safety of our customers, operators, and the service goals of the Authority.
- 8.0 RECOMMENDATION: It is recommended that the bid of TSS, Inc. be accepted and the resolution passed authorizing the CEO, 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