

RESOLUTION NO. 2009-7

AUTHORIZING AN INCREASE TO CONTRACT NO. 2002-155 WITH LTK ENGINEERING SERVICES, INC., TO PROVIDE FARE COLLECTION CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED \$89,693.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$682,251.00 (RTA DEVELOPMENT FUND, REVENUE DEPARTMENT BUDGET)

WHEREAS, the Authority requires the services of a consultant to assist the Authority with management of the fare collection system project, and

WHEREAS, by Resolution No. 2003-050, the Board of Trustees authorized Contract No. 2002-155 in the amount of five hundred twenty-six thousand seven & 00/100 dollars (\$526,007.00) with LTK Engineering Services, Inc., for the furnishing of fare collection consulting services; and

WHEREAS, the General Manager/Secretary-Treasurer has issued two no-cost change orders and two cost-added change orders totaling sixty-six thousand five hundred fifty-one & 00/100 dollars (\$66,551.00) based upon General Manager/Secretary-Treasurer change order authority pursuant to the Authority's Procurement Policies, for a total contract amount not to exceed five hundred ninety-two thousand five hundred fifty-eight & 00/100 dollars (\$592,558.00); and

WHEREAS, the Authority in 2003 had anticipated that it would not require LTK Engineering Services, Inc. consulting services beyond December 31, 2006; and

WHEREAS, the General Manager/Secretary-Treasurer has previously extended the contract to March 31, 2009; and

WHEREAS, the Authority now desires to continue receiving consulting support from LTK Engineering Services, Inc. until August 31, 2010; and

WHEREAS, LTK Engineering Services has offered to provide these additional consulting services at a negotiated amount not to exceed \$89,693.00 (eighty-nine thousand six hundred ninety-three & 00/100 dollars; and

WHEREAS, the General Manager/Secretary-Treasurer's remaining delegated authority of \$33,449 on this contract is insufficient to authorize acceptance of said offer; and

WHEREAS, the General Manager/Secretary-Treasurer deems acceptance of the offer of LTK Engineering Services, Inc. to provide additional consulting services, as negotiated, to be in the best interest of the Authority and recommends acceptance thereof.

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 LTK Engineering Services, Inc., to provide additional consulting services for the fare collection system project through August 31, 2010, is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer be and he is hereby authorized to amend Contract No. 2002-155 with LTK Engineering Services, Inc. to provide additional consulting services for the fare collection system project through August 31, 2010.

Section 3. That said amendment shall be payable out of the RTA Development Fund, Revenue Department budget, including but not limited to 100% Local funds, in an amount not to exceed eighty-nine thousand six hundred ninety-three dollars & 00/100 (\$89,693.00) for a total contract amount not to exceed six hundred eighty-two thousand two hundred fifty-one & 00/100 dollars (\$682,251.00).

Section 4. That the General Manager/Secretary-Treasurer change order authority be reinstated to its entirety.

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

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

Adopted: February 17, 2009



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION:

AUTHORIZING AN INCREASE TO CONTRACT NO. 2002-155 WITH LTK ENGINEERING SERVICES, INC., TO PROVIDE FARE COLLECTION CONSULTING SERVICES IN AN AMOUNT NOT TO EXCEED \$89,693.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$682,251.00 (RTA DEVELOPMENT FUND, REVENUE DEPARTMENT BUDGET)

Resolution No.:
2009-7

Date:
February 12, 2009

Initiator: Fare Collection Systems Project

ACTION REQUEST:

Approval Review/Comment Information Only Other _____

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to increase Contract No. 2002-155 with LTK Engineering Services, Inc., to expand and extend the work effort to accommodate unanticipated challenges under the Fare Collection System project.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The RTA requires additional consulting services to manage the fare collection system project. When RTA contracted with LTK Engineering Services in 2003, it was expected that RTA would not require consulting services beyond December 31, 2006. However, the project has required more management time and effort than had originally been anticipated. This contract has been extended to March 31, 2009 by previous General Manager/Secretary-Treasurer Change Orders. RTA now expects to require continued consultant support through August 31, 2010, by which time the Smartcard phase of the project should be fully implemented. Board authorization is needed because the General Manager's remaining delegated authority of \$33,449 on this contract is insufficient to authorize acceptance of the offer.
- 3.0 **PROCUREMENT BACKGROUND:** In April of 2003, the Board of Trustees by Resolution No. 2003-050 authorized a contract with LTK Engineering Services, Inc., to provide consulting services for the Fare Collection System Project. Additional work in the amount of \$66,551.00 was authorized through the General Manager/Secretary-Treasurer's delegated authority. LTK Engineering Services has offered to provide the needed additional consulting services at a negotiated cost increase not-to-exceed \$89,693.00. This change order was reviewed and approved by the Change Order Committee. The new total contract amount of \$682,251.00 is comprised of the following:

Original Contract Amount	\$526,007.00
Change Orders to Date	<u>\$66,551.00</u>
Subtotal	\$592,558.00
This recommended change order	<u>\$89,693.00</u>
Total	\$682,251.00

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 7% DBE was established for the contract (2002-155). LTK Engineering Services, Inc. will achieve DBE participation (including the current change order) of 13.2% totaling \$89,000 through its original DBE firm, Virginkar & Associates (Indian Pacific-owned).
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This amendment shall be funded out of the RTA Development Fund, Revenue Department budget, including but not limited to 100% Local funds, in an amount not to exceed eighty-nine thousand six hundred ninety-three & 00/100 dollars (\$89,693.00) for a total contract amount not to exceed six hundred eighty-two thousand two hundred fifty-one & 00/100 dollars (\$682,251.00).
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer will impair RTA's ability to manage the fare collection system project and could result in higher amounts being paid to one or both of the fare collection system vendors.
- 8.0 **RECOMMENDATION:** It is recommended that his change order be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to modify the contract.
- 9.0 **ATTACHMENTS:** Attachment A – Change Order Log

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer

ATTACHMENT A

Change Order Log

CONTRACT NO. 2002-155
Fare Collection Consultant

Contract #2002-155
Inc.

Contractor: LTK Engineering Services.

Original Contract Amount \$ 526,007.00

Total G.M. C.O. Authority \$ 100,000.00

Total Change Order Amount To Date \$ 66,551.00

<i>ITEM NO.</i>	<i>Note No</i>	<i>Approval Date</i>	<i>CHANGE ORDER</i>	<i>APPROVAL AUTHORITY</i>	<i>NEW CONTRACT AMOUNT</i>
1	1	May 20, 2005	\$36,610.00	General Manager	\$562,617.00
2	2	December 21, 2006	\$29,941.00	General Manager	\$592,558.00
3	3	June 6, 2008	\$0.00	General Manager	\$592,558.00
4	4	December 30, 2008	\$0.00	General Manager	\$592,558.00
5	5	TBD	\$89,693.00	Board of Trustees	\$682,251.00

NOTES/CHANGE ORDER DESCRIPTION:

1. Industry Review
2. Two-Year Extension of Contract with 4% annual escalation (expires December 31, 2008)
3. Re-Allocation of budget from sub-consultant to prime contractor
4. Contract Extension – no cost, just time (expires March 31, 2009)
5. Additional hours needed to complete project with two-year extension (expires August 31, 2010)