

RESOLUTION NO. 2009-30

AUTHORIZING CONTRACT 2009-033 WITH GENERAL ELECTRIC TRANSPORTATION PARTS, LLC FOR FIFTEEN (15) MAIN CONTROLLER GROUPS FOR THE TOKYU HRV FLEET AT A PRICE OF \$1,747,500.00 (RTA DEVELOPMENT FUND, RAIL DEPARTMENT BUDGET)

WHEREAS, there is a need to replace fifteen (15) Main Controller Groups for the Tokyu Heavy Rail Vehicle (HRV) fleet during the mid-life overhaul project; and

WHEREAS, the Ohio Revised Code, Section 306.43H(2) provides that competitive bidding is not required when a regional transit authority, after reasonable inquiry, determines that only one source of supply is reasonably available; and

WHEREAS, General Electric Transportation Parts, LLC has proprietary rights to the Main Controller Groups currently available for use on the Authority's HRV fleet; and

WHEREAS, the offer of General Electric Transportation Parts, LLC located at 2901 East Lake Road, Erie, PA 16531, to furnish fifteen (15) Main Controller Groups for the Authority's HRV fleet was received on March 13, 2009; and

WHEREAS, a negotiated contract price of one million seven hundred forty seven thousand five hundred and 00/100 dollars (\$1,747,500.00) was agreed upon; and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of General Electric Transportation Parts, LLC 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 General Electric Transportation Parts, LLC as negotiated, to provide fifteen (15) Main Controller Groups for the Tokyo HRV fleet 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 sole source contract with General Electric Transportation Parts, LLC for the furnishing of fifteen (15) Main Controller Groups for the HRV fleet mid-life overhaul, as specified.

Section 3. That said contract shall be payable from RTA Development Fund, Rail Department budget, including but not limited to ARRA Capital Grant OH-56-0002, at a price of \$1,747,500.00 (100% Federal Stimulus funds). The award of this contract is contingent upon FTA approval of funds under the American Recovery and Reinvestment Act (ARRA) of 2009 and receipt of those grant funds.

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 2008-061; 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 General Electric Transportation Parts, LLC 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: April 21, 2009

  
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President

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



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

<b>TITLE/DESCRIPTION:</b> CONTRACT: FIFTEEN (15) MAIN CONTROLLER GROUPS  VENDOR: GENERAL ELECTRIC TRANSPORTATION PARTS, LLC  AMOUNT: \$1,747,500.00	<b>Resolution No.:</b> 2009-30
	<b>Date:</b> April 16, 2009
	<b>Initiator:</b> Rail Equipment Department
<b>ACTION REQUEST:</b> <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 sole source contract with General Electric Transportation Parts, LLC for the purchase of fifteen (15) Main Controller Groups (whole units) for the Tokyu HRV fleet.
  
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Tokyu HRV fleet was placed in service in 1985. A Main Cam Controller Group controls modes of acceleration and deceleration of the HRV. The power driven controllers set up the motoring and dynamic braking circuits that control low and high voltage relays, which control the traction motors. A defective group will result in an inoperable vehicle. General Electric Transportation Parts, LLC is the original equipment manufacturer and is the sole supplier of this equipment. These units are required as part of the HRV mid-life overhaul project.
  
- 3.0 **PROCUREMENT BACKGROUND:** This sole source procurement is exempt from competitive bidding as authorized by Section 306.43H(2) of the Ohio Revised Code. General Electric Company holds the exclusive rights to this product. An industry survey showed that no other manufacturer provides a comparable main cam controller group. The Procurement Department requested a proposal from General Electric Transportation Parts, LLC. After negotiations, a price of \$116,500.00 for each of the fifteen main control groups was agreed upon. General Electric Transportation Parts, LLC took exception to providing a unit price breakdown in order for the Authority to determine reasonability of price through cost analysis. This part is unique to GCRTA and no comparison of prices paid by others is available.  
  
 A cost/price 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 subcontracting opportunities.
  
- 5.0 **POLICY IMPACT:** Does not apply.
  
- 6.0 **ECONOMIC IMPACT:** This procurement will be funded through the RTA Development Fund, Rail Department budget, including but not limited to ARRA Capital Grant OH-56-0002, Line Item 12.51.21 at a total price of \$1,747,500.00 (100% Federal Stimulus funds). This price is within the budgeted estimate. The unit price of \$116,500.00 is 0.4% above the unit cost previously paid in 2007. The award of this contract is contingent upon FTA approval of funds under the American Recovery and Reinvestment Act (ARRA) of 2009 and receipt of those grant funds.

- 7.0 ALTERNATIVES: Reject this offer. This purchase will ensure the safe operation of the HRV fleet and may enhance the safety of customers, operators, service goals and the mid-life timetable of the Authority. The alternative is to rebuild these units internally utilizing a force account, but due to lack of personnel, this is currently an unacceptable alternative.
- 8.0 RECOMMENDATION: It is recommended that the offer of General Electric Transportation Parts, LLC 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