

RESOLUTION NO. 2011-36

AUTHORIZING RATIFICATION OF PURCHASE ORDER NO. 31001352 IN THE AMOUNT OF \$118,320 AND PURCHASE ORDER NO. 31003338 IN THE AMOUNT OF \$118,320, NOW KNOWN AS CONTRACT NO. 2010-074 WITH BRIDGESTONE INDUSTRIAL PRODUCTS FOR THE FURNISHING OF 160 HRV AIR BAG ASSEMBLIES IN AN AMOUNT NOT TO EXCEED \$236,640.00 (RTA DEVELOPMENT FUND, RAIL DISTRICT DEPARTMENT BUDGET)

WHEREAS, the Authority deems it necessary to ratify two purchases for a combined total of 160 HRV air bag assemblies; and

WHEREAS, Section 306.42 (H) (6) of the Ohio Revised Code states that competitive procedures are not required when the purchase of equipment is of a proprietary nature; and

WHEREAS, Bridgestone Industrial Products is the only provider of these HRV air bag assemblies; and

WHEREAS, a sole source procurement for 80 air bag assemblies was entered into with Bridgestone Industrial Products, located at 402 BNA Drive #212, Nashville, TN 37217 in an amount of \$118,320.00 on March 8, 2010; and

WHEREAS, a sole source procurement for 80 air bag assemblies was entered into with Bridgestone Industrial Products, located at 402 BNA Drive #212, Nashville, TN 37217 in an amount of \$118,320.00 on July 21, 2010; and

WHEREAS, these purchase have been consolidated into Contract No. 2010-074 for a total contract amount of \$236,640.00; and

WHEREAS, the purchase of these air bag assemblies exceeds the small purchase threshold and, therefore requires approval from the Board of Trustees; and

WHEREAS, the General Manager/Secretary-Treasurer deems the procurement of HRV air bag assemblies from Bridgestone Industrial Products necessary for the continued operation of the HRV fleet and recommends ratification 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 procurement with Bridgestone Industrial Products for 160 HRV air bag assemblies is hereby ratified.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to ratify the procurement from Bridgestone Industrial Products for the furnishing of a total of 160 HRV air bag assemblies.

Section 3. This ratification is funded through the RTA Development Fund, Rail District Department budget, including but not limited to ARRA Grant OH-96-X027 (100% Federal funds) and Grant OH-05-0097 (80% Federal funds) for a total amount not to exceed two hundred thirty-six thousand six hundred forty & 00/100 dollars (\$236,640.00).

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, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2011-34; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: May 17, 2011



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: PURCHASE OF 160 HRV AIR BAG ASSEMBLIES	Resolution No.: 2011-36
VENDOR: BRIDGESTONE INDUSTRIAL PRODUCTS	Date: May 12, 2011
AMOUNT: \$236,640.00	Initiator: Rail District
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

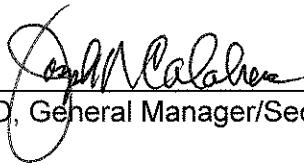
- 1.0 PURPOSE/SCOPE: This action will allow the Authority to ratify a sole source contract for 160 HRV Air Bag Assemblies.
- 2.0 DESCRIPTION/JUSTIFICATION: This procurement provided air bag assemblies for the HRV fleet. The diaphragm and the ring when assembled complete the air bag assembly. This system is the secondary suspension for the vehicle, maintaining the proper distance between the car body and the truck. The assembly enhances the ride for the passengers and failure of an air bag could cause an accident including a derailment.
- 3.0 PROCUREMENT BACKGROUND: This sole source procurement was exempt from competitive bidding as authorized under Section 306.43 (H)(6) of the Ohio Revised Code. The air bags are a proprietary assembly owned by Bridgestone Industrial Products. This transaction consisted of two (2) procurements. The original procurement for the airbags was intended to be a small purchase, not to exceed \$100,000. The actual price for the parts that make up the assembly (diaphragm and ring) was \$118,320.00 for 80 units of each part. The first procurement was done in March of 2010. In July of 2010 another procurement for the same parts, quantities, and price was done. Board approval should have been sought for both the first and second procurement. The Contract Administrator failed to do so in either instance. The air bag assemblies for both procurements were delivered and paid for.

 The previous purchase of these air bags was in 2000, from the proprietary owner at that time, Mitsui. The unit cost for 120 assemblies in 2000 was \$1,600. The unit cost for 160 assemblies from Bridgestone in 2010 was \$1,479. There is little history of procuring this assembly and based upon this comparison the price paid in 2010 is considered to be fair and reasonable.
- 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 RTA Development Fund, Rail District Department budget, including but not limited to ARRA Grant OH-96-X027, Line Item 12.15.21 (100% Federal funds), and Grant OH-05-0097, Line item 12.15.21 (80% Federal funds) for a total amount not to exceed two hundred thirty-six thousand six hundred forty & 00/100 dollars (\$236,640.00).
- 7.0 ALTERNATIVES: Reject this Ratification. Reject this ratification and this award will not conform to the Authority's procurement policy.

8.0 RECOMMENDATION: It is recommended that the ratification be approved and the resolution passed authorizing the General Manager/Secretary-Treasurer to ratify 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