

RESOLUTION NO. 2012-76

AUTHORIZING THE GENERAL MANAGER/SECRETARY-TREASURER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CLEVELAND METROPOLITAN SCHOOL DISTRICT FOR STUDENT FARES

WHEREAS, the Greater Cleveland Regional Transit Authority (GCRTA or the Authority) provides public transportation that facilitates travel by students to and from school; and

WHEREAS, pursuant to Resolution No. 2006-131, the General Manager was authorized to enter into an intergovernmental agreement with School Districts establishing an alternate fare structure for student fares; and

WHEREAS, pursuant to Resolution No. 2010-019 the rates of fares to be charged by the GCRTA were amended; and

WHEREAS, pursuant to Resolution No. 2010-43, to avoid an undue hardship on the school districts and to improve the cash flow for the Authority, the GCRTA established an alternate fare structure for school districts which meet certain criteria, specifically the purchase of \$1,000,000 or more of student farecards per year and the issuance of farebox compatible picture identification cards to students; and

WHEREAS, it is in the best interest of the Authority to enter into an intergovernmental agreement with the Cleveland Metropolitan School District for the 2012-2013 school year; and

WHEREAS, the Cleveland Metropolitan School District, the Authority's largest volume buyer of student farecards, has agreed to make the initial payment of Two Million Four Hundred Thirty Thousand Dollars (\$2,430,000) to the GCRTA prior to August 30, 2012.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That effective August 21, 2012, the General Manager/Secretary Treasurer is authorized to enter into an intergovernmental agreement with the Cleveland Metropolitan School District. The Cleveland Metropolitan School District will pay \$2.70 times the number of picture identification cards times 180 days times a 100% attendance rate, and will pay \$1.60 per ride for student tickets.

Section 2. That this resolution shall become effective immediately upon its adoption.

Attachment A – Intergovernmental Student Transportation Agreement

Adopted: August 21, 2012

  
\_\_\_\_\_  
President

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

## INTERGOVERNMENTAL STUDENT TRANSPORTATION AGREEMENT

THIS AGREEMENT, entered into this 21<sup>st</sup> day of August, 2012, by and between the Greater Cleveland Regional Transit Authority (hereinafter referred to as "GCRTA"), 1240 West 6<sup>th</sup> Street, Cleveland, Ohio 44113-1331, acting pursuant to Resolution No. \_\_\_\_\_, adopted by its Board of Trustees on August 21, 2012, and the Cleveland Metropolitan School District (hereinafter referred to as the "District"), whose principle offices are located at 1380 East 6<sup>th</sup> Street, Cleveland, Ohio 44114.

WITNESSETH: That

WHEREAS, the District is certified by the Ohio Department of Education to provide education services; and

WHEREAS, the District wishes to make transportation available to its enrolled students or its students on whose behalf it is obligated to provide transportation service; and

WHEREAS, the GCRTA is amenable to providing said service to the District's students; and

WHEREAS, the District and GCRTA wish to provide transportation in a controlled, efficient and cost effective manner.

NOW, THEREFORE, GCRTA and the District, for good and valuable consideration including the mutual promises contained below, agree as follows:

### 1. TERM OF AGREEMENT

This Agreement shall commence on August 22, 2012, and shall continue through June 6, 2013.

### 2. PRICE AND TERMS OF SALE

#### a) Passes.

To improve controls and ensure valid use and costs, GCRTA and the District agree to issue magnetic stripe farebox compatible picture card ID passes ("Passes") to between 4,500 and 5,500 District students for daily use on GCRTA vehicles as proof of payment. These Passes shall be valid for fares from 6:00 AM to 6:00 PM Monday through Friday for 180 days of the school year. The cost shall be calculated as follows: number of Passes times \$2.70 times 180 days times 100% attendance rate.

The District shall purchase between 4,500 and 5,500 Passes from GCRTA. The District shall make an initial purchase of 5,000 Passes

for a total amount of Two Million Four Hundred Thirty Thousand Dollars (\$2,430,000). A settlement will be made in accordance with the formula specified above in April 2013 to reflect the District's actual usage. Monthly reports will be provided to account for student arrivals and departures to assist in the reconciliation and settlement to occur in April.

The District shall tender payment for the initial purchase of 5,000 Passes on or before August 30, 2012. Failure to make timely payment may lead to the termination of this agreement.

b) Tickets.

The District may purchase a mutually agreed upon proportion of one-trip and two-trip student tickets ("Tickets") for distribution to District students other than those with Passes. The District may purchase Tickets for the regular student ticket fare of \$1.60 per ride. The District shall not assess a charge in excess of this price for each Ticket.

GCRTA shall retain possession of all purchased Tickets until the District requests delivery of same. The District shall issue an order, in writing, to GCRTA for Tickets on an as-needed basis. GCRTA shall deliver the number of Tickets specified in each order to the District's Transportation Department within three days of receipt of the District's order. The risk of loss for said Tickets shall pass to the District immediately upon delivery of the Tickets to the District. The District shall sign the accompanying invoice and immediately return the signed invoice to GCRTA's Accounts Receivable Department. Payment shall be made within 30 days after delivery of the Tickets. The GCRTA will deliver sufficient Tickets for distribution by the District, provided the GCRTA receives timely payment in full for previously ordered tickets.

c) Passes and Tickets may be used by District students in Grades K through 12, residing within the borders of Cuyahoga County and attending private or public schools certified by Ohio Department of Education during the term of this Agreement. Passes and Tickets may be used on regular routes operated by the GCRTA for the purpose of transporting fare paying passengers. Any student using a student Pass or Ticket is responsible for maintaining in his/her possession proof of enrollment in a school system certified by the Ohio Department of Education. Upon request, any student must produce such evidence to any of the GCRTA's personnel.

**3. RIGHT TO TERMINATE AGREEMENT**

If either Party becomes insolvent or fails to perform any undertaking essential to the purpose of this Agreement, or fails to conduct its business to the satisfaction of the other Party, then the other Party may cancel and terminate this Agreement by thirty (30) days notice in writing to the defaulting Party, provided, however, that the defaulting Party may cure any failure of performance within thirty days of receipt of notice.

The expiration or termination, for any reason, of this Agreement shall be without prejudice to the rights of either Party.

**4. FORCE MAJEURE**

If because of Force Majeure, either Party shall be unable to carry out any of its obligations under this Agreement, then those obligations shall be suspended to the extent made necessary by Force Majeure. The Party affected by Force Majeure shall give notice to the other Party as promptly as practical of the nature and probable duration of such Force Majeure. "Force Majeure" shall mean acts of God, riots, strikes, labor disputes, labor or material shortages, fires, explosions, floods, breakdowns of or damage to plants, equipment or facilities, or other causes of similar nature which are beyond the reasonable control of the Party and which wholly or partially prevent the timely performance of the Party's obligations under this Agreement, provided that the effect of such Force Majeure shall be eliminated insofar as possible with all reasonable dispatch; provided further, that performance of service obligations by the Party shall be excused only to the extent made necessary by the Force Majeure condition; provided further, that neither Party shall be required to settle a labor dispute on terms unacceptable to the Party affected; and provided further, that neither Party shall be required to rebuild all or a major portion of its facilities which are destroyed or substantially impaired by a Force Majeure condition. The Parties agree that, during the duration of the Force Majeure condition, neither will seek to declare the other in default for failure to timely perform its obligations under this Agreement.

**5. RECORDS AND AUDITS**

The Parties shall maintain all records pertaining to this Agreement on file for three (3) years after final payment under this Agreement and until any audit issues are resolved. Each Party reserves the right to conduct an audit of the other Party's records related to this Agreement, and each Party agrees that, upon request by the other Party, it will provide any and all original documentation concerning the transactions conducted under this Agreement. Each Party agrees that it will cooperate fully with any audit requested or undertaken by the other Party.

6. **ASSIGNMENT**

Neither Party shall assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.

7. **CHANGES; ALTERATIONS**

No change, alteration, modification, or addition to this Agreement shall be effective unless in writing and properly executed by both Parties.

8. **APPLICABLE LAW; SEVERABILITY**

This Agreement and any disputes relating to it shall be construed under the laws of the State of Ohio. If any provisions of this Agreement are determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect any of the Agreement's remaining provisions.

9. **ENTIRE AGREEMENT**

This instrument constitutes the entire Agreement of the Parties with respect to its subject matter, superseding all prior understandings, agreements, or communications (whether oral or written), and shall be binding upon and inure to the benefit of the Parties, their successors, and permitted assigns.

10. **ACKNOWLEDGEMENT**

The Parties acknowledge and agree that the District is a governmental entity and due to statutory provisions cannot commit to the payment of funds beyond its fiscal year (July 1 through June 30). By signing this Agreement, the District represents that it has appropriated the funds necessary to fulfill its obligations under this agreement for the 2012 – 2013 school year.

IN WITNESS WHEREOF, the Parties have executed this Agreement at Cleveland, Ohio, on the date set forth in the first paragraph of this instrument.

**GREATER CLEVELAND  
REGIONAL TRANSIT AUTHORITY**

**CLEVELAND METROPOLITAN  
SCHOOL DISTRICT**

By: \_\_\_\_\_  
Joseph A. Calabrese  
General Manager/Secretary-Treasurer

By: \_\_\_\_\_  
Patrick Zohn  
Chief Operating Officer

The legal form and correctness of the within  
Instrument is hereby approved.

\_\_\_\_\_  
Sheryl King Benford  
Deputy General Manager-Legal

#### CERTIFICATE OF FUNDS

(Section 5705.41, O.R.C.)

In the matter of: Greater Cleveland Regional Transit Authority

IT IS HEREBY CERTIFIED that moneys required to meet the obligations of the Board of Education of the Cleveland Metropolitan School District under the above referenced Agreement have been lawfully appropriated for such purposes and are in the treasury of the School District or are in the process of collection to an appropriate fund, free from any previous encumbrance.

CLEVELAND METROPOLITAN SCHOOL DISTRICT

By: \_\_\_\_\_

Dated: \_\_\_\_\_



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

<b>TITLE/DESCRIPTION:</b>  AUTHORIZING INTERGOVERNMENTAL AGREEMENT WITH CLEVELAND METROPOLITAN SCHOOL DISTRICT FOR THE SALE OF STUDENT FARECARDS	<b>Resolution No.:</b> 2012-76
	<b>Date:</b> August 16, 2012
	<b>Initiator:</b> Revenue and Office of Management and Budget
<b>ACTION REQUEST:</b> <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE/SCOPE:** This Intergovernmental Agreement will allow a volume discount to the Cleveland Metropolitan School District for advance purchase and payment of student farecards for the 2012 – 2013 school year. The advance purchase and payment will relieve some of the budgetary impact on the schools, as well as improve cash flow and accounts receivables activity for the GCRTA.

2.0 **DESCRIPTION/JUSTIFICATION:** The proposed Intergovernmental Agreement with the Cleveland Metropolitan School District will allow for discounted rates provided the school district meets certain criteria.

This proposal is a result of discussions with the Cleveland Metropolitan School District (CMSD), the Authority's largest volume buyer of student farecards, generating \$2.4 million in annual revenue for the GCRTA. Being sensitive to the financial concerns of the CMSD, GCRTA staff developed some options that would be a win-win for both parties.

3.0 **PROCUREMENT BACKGROUND:** Does not apply.

4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Does not apply.

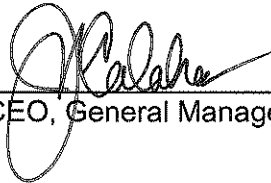
5.0 **POLICY IMPACT:** Authorization of the Intergovernmental Agreement will allow GCRTA to continue to provide economical public transportation to students as well as promote ridership of public transportation. Issuance of farebox compatible photo ID cards to students will assist GCRTA in providing transportation in a controlled and efficient manner.

The historic partnership between CMSD and GCRTA has benefited both parties for many years, and this partnership has offered great value to students traveling to and from school.

6.0 **ECONOMIC IMPACT:** The discounts may result in less revenue for the Authority, but will ensure advanced payment and improved cash flow, as well as encourage volume purchases.

- 7.0 ALTERNATIVES: Rejection of this action would result in hardship for the school district and could lead to the possible discontinuation of using public transportation for student transport.
- 8.0 RECOMMENDATION: It is recommended that this resolution be approved.
- 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