

RESOLUTION NO. 2016-66

AUTHORIZING THE CEO, GENERAL MANAGER/SECRETARY-TREASURER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CLEVELAND METROPOLITAN SCHOOL DISTRICT FOR STUDENT FARES FOR SCHOOL YEAR 2016 – 2017 AND RATIFYING THE ISSUANCE OF FARE CARDS FOR THE FIRST DAY(S) OF SCHOOL

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 CEO, General Manager/Secretary-Treasurer 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. 2010-043, 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 fare cards per year; and

WHEREAS, pursuant to Resolution 2012-076, the Cleveland Metropolitan School District (“District”) purchased \$2,430,000 in tickets in advance and instituted the use of farebox compatible picture identification cards (“Passes”) to students, thus improving transportation efficiency and control of student passengers; and

WHEREAS, pursuant to Resolution 2013-109, the Cleveland Metropolitan School District purchased \$3,542,500 in passes and tickets; and

WHEREAS, pursuant to Resolution 2014-061, the Cleveland Metropolitan School District purchased \$4,207,500 in passes and tickets; and

WHEREAS, pursuant to Resolution 2015-075, the Cleveland Metropolitan School District made an initial purchase of \$4,220,400 in passes and tickets with an optional purchase of up to \$1,050,000 in tickets and an optional purchase of up to \$48,000 in tickets for summer school; and

WHEREAS, it is in the best interest of the Authority to enter into an intergovernmental agreement with the District for the 2016-2017 school year; and

WHEREAS, the District, the Authority’s largest volume buyer of student fare cards, has agreed to purchase passes in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) and make payment to the Authority prior to August 31, 2016; and

WHEREAS, fare cards have been issued to students for the first day(s) of school on July 25, 2016, August 1, 2016, August 8, 2016 and August 15, 2016.

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

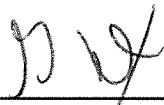
Section 1. That the CEO, General Manager/Secretary-Treasurer is authorized to enter into an intergovernmental agreement with the District. The actions of the CEO, General Manager/Secretary-Treasurer in issuing fare cards for the first day(s) of school on July 25, 2016, August 1, 2016, August 8, 2016 and August 16, 2016 are hereby ratified.

Section 2. The District will purchase 18,000 passes for a total cost of \$4,400,000. The District may purchase additional tickets at \$1.65 per ride. The District will pay a fee of \$10.00 for each lost or stolen pass in excess of 4,500 passes.

Section 3. The District will pay \$4,400,000 for the 18,000 passes, with the entire amount due by August 31, 2016.

Section 4. That this resolution shall become effective immediately upon its adoption.

Adopted: August 16, 2016



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING INTERGOVERNMENTAL AGREEMENT WITH CLEVELAND METROPOLITAN SCHOOL DISTRICT FOR STUDENT FARES FOR SCHOOL YEAR 2016-2017 AND RATIFYING THE ISSUANCE OF FARE CARDS FOR THE FIRST DAY(S) OF SCHOOL	Resolution No.: 2016-66
	Date: August 11, 2016
	Initiator: Finance & Administration
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 Intergovernmental Agreement will allow a volume discount to the Cleveland Metropolitan School District for purchase and payment of student fare cards for the 2016–2017 school year. The 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. This action includes ratification of the issuance of fare cards to students for the first day(s) of school on July 25, 2016, August 1, 2016, August 8, 2016 and August 15, 2016.

The school board is scheduled to consider this agreement on August 16, 2016.

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 fare cards, generating over \$4.4 million in annual revenue for the GCRTA.

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

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

5.0 **POLICY IMPACT:** This action is consistent with the Board’s policy to authorize the Authority to enter into intergovernmental agreements with school districts for student fares. 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.

6.0 **ECONOMIC IMPACT:** The discounts should result in nearly the same revenue for the Authority, but will provide advance payment and improved cash flow, as well as encourage volume purchases.

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Intergovernmental Student Transportation Agreement

- 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: A. Draft Intergovernmental Student Transportation Agreement.

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

INTERGOVERNMENTAL STUDENT TRANSPORTATION AGREEMENT

THIS AGREEMENT, entered into this _____ day of August, 2016, by and between the Greater Cleveland Regional Transit Authority (hereinafter referred to as "GCRTA"), 1240 West 6th Street, Cleveland, Ohio 44113-1331, acting pursuant to Resolution No. _____, adopted by its Board of Trustees on August 16, 2016, and the Cleveland Metropolitan School District (hereinafter referred to as the "District"), whose principle offices are located at 1111 Superior Ave E, Suite 1800, Cleveland, OH 44114, acting pursuant to Resolution No. _____, adopted by the Board of Education of the Cleveland Municipal School District on _____, 2016.

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 and to 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 July 18, 2016, and shall continue through July 31, 2017.

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 18,000 District students for daily use on GCRTA vehicles as proof of payment, for a total cost of \$4,400,000. These Passes shall be valid for fares from 5:30 AM to 8:00 PM Monday through Friday for 180 days of the school year. ID Passes will be used by students during school days which may be different from school to school. Black out time will be Thanksgiving, Winter break and Spring break (as outlined on Exhibit A).

GCRTA will supply the Passes by July 20, 2016. Students whose schools start on July 25, 2016 will receive a free ride to school on GCRTA vehicles that day and students whose schools start on August 1, 2016, August 8, 2016 and

August 15, 2016 will receive a free ride to school on GCRTA vehicles their first day of school. The last day for use of the Passes is May 27, 2017.

- b) The cost of any additional services beyond those specified in section 2a above will be \$1.65 per ride. (These tickets will be referred to herein as "Tickets.") Tickets must be ordered on a separate written purchase order. The District shall not assess a charge in excess of this price for each Ticket. GCRTA shall deliver the number of Tickets specified in each order to the District's Transportation Department. 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.
- c) Passes and Tickets may be used by District students in Grades 6 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. Passes and Tickets are non-transferable. Non-students using Passes or Tickets will either be denied service or required to pay the full fare.

d) Payment

The District shall pay Four Million Four Hundred Thousand Dollars (\$4,400,000) for the Passes.

GCRTA shall invoice the District for the purchase of \$4,400,000 by July 29, 2016 and the District shall pay it by August 31, 2016.

Failure to make timely payment may lead to the termination of this agreement.

e) Invoices

Invoices will be directed to the District's Office of Accounting, Attention: Michael Bowen, Director of Accounting.

f) Lost or Voided Passes

Reports of any Passes that were cancelled shall be reported to GCRTA on a weekly basis. GCRTA will assess a fee of \$10.00 for each lost or stolen Pass in excess of 4,500 (25% of the total number of Passes).

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. STUDENT CONDUCT

a) In accordance with its representations in 2015, the District has removed the following language from the 2016-2017 Student Code of Conduct:

A student suspended from the bus will be given two RTA tickets at the time of suspension. Additional RTA tickets will be provided, as needed, each day the student appears in school during the term of the bus suspension.

b) The Board of Education of the Cleveland Municipal School District has adopted the policy outlined in Exhibit B hereto.

5. 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.

6. RECORDS AND AUDITS

The District shall maintain books, records, documents, and other evidence directly pertinent to the performance of the Work under this Agreement in accordance with generally accepted accounting principles and practices consistently applied and Federal Acquisition Regulations, Parts 30 and 31, as applicable. GCRTA and its authorized representatives shall have the right to audit, to examine and to make copies of or extracts from all financial and related records (in whatever form they may be kept, whether written, electronic, or other) relating to or pertaining to this Agreement kept by or under the control of the District, including, but not limited to those kept by the District, its employees, agents, assigns, successors and subcontractors. Such records shall include, but not be limited to, accounting records, written policies and procedures; subcontract files; all paid vouchers including those for out-of-pocket expenses; other reimbursement supported by invoices; ledgers; cancelled checks; deposit slips; bank statements; journals; original estimates; estimating work sheets; contract amendments and change order files; back charge logs and supporting documentation; insurance documents; payroll documents; timesheets; memoranda; and correspondence. The District shall, at all times during the term of this Agreement and for a period of three years after the completion of this Agreement, maintain such records, together with such supporting or underlying documents and materials. The District shall at any time requested by GCRTA, whether during or after completion of this Agreement, and at the District's own expense make such records available for inspection and audit (including copies and extracts of records as required) by GCRTA. Such records shall be made available to GCRTA during normal business hours at the District's office or place of business. In the event that no such location is available, then the financial records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location that is convenient for GCRTA. The District shall ensure GCRTA has these rights with the District's employees, agents, assigns, successors, and subcontractors, and the obligations of these rights shall be explicitly included in any subcontracts or agreements formed between the District and any subcontractors to the extent that those subcontracts or agreements relate to fulfillment of the District's obligations to GCRTA. If the audit discovers substantive findings related to fraud, misrepresentation, or non-performance, GCRTA may recoup the costs of the audit work from the District. Any adjustments and/or payments that must be made as a result of any such audit or inspection of the District's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of GCRTA's findings to the District.

7. ASSIGNMENT

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

8. CHANGES; ALTERATIONS

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

9. 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.

10. 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.

11. 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 2016 – 2017 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: _____