

RESOLUTION NO. 2020-76

AUTHORIZING AN INCREASE TO CONTRACT NO. 2018-112 WITH TRANSIT SOURCING SERVICES, INC., FOR THE FURNISHING OF AN ADDITIONAL 200 HRV 28 INCH STEEL WHEELS, AS SPECIFIED AND AS REQUIRED IN AN AMOUNT NOT TO EXCEED \$174,000.00, FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$898,000.00 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority has recurring requirements for replacement of 28 inch steel wheels on Heavy Rail Vehicles (HRV); and

WHEREAS, an offer to provide said equipment was received from Transit Sourcing Services, Inc., with an office located at 4489 Triumph Drive, SW, Concord, NC 28027; and

WHEREAS, Contract No. 2018-112 was entered into with Transit Sourcing Services, Inc. to furnish up to 800 Tokyu Heavy Rail Vehicle 28 inch steel wheels, as specified and as required, for a period of three years, for a total contract not to exceed \$667,000.00; and

WHEREAS, to ensure continuity of service to the public, the Authority negotiated Change Order No. 1 with Transit Sourcing Services, Inc. for an early delivery of 200 HRV 28 inch steel wheels and the modification of the three year wheel delivery schedule, and was granted approval under the General Manager's signing authority to add an additional \$57,000.00 to Contract No. 2018-112 with Transit Sourcing Services, to furnish up to 800 Tokyu Heavy Rail Vehicle 28 inch steel wheels, as specified and as required, for a period of three years, which increased the contract to an amount not to exceed \$724,000.00; and

WHEREAS, the Authority now deems it necessary to procure an additional 200 HRV 28 inch steel wheels to permit the Authority to bridge the gap between the new HRV wheel specification and the current HRV wheel specification, allowing the Fleet Engineering Department ample time to test the new HRV wheels once they arrive on site; and

WHEREAS, Transit Sourcing Services, Inc. has offered to provide up to an additional 200 HRV 28 inch steel wheels, as specified and as required, in a negotiated amount not to exceed \$174,000.00, resulting in a new total contract amount not to exceed \$898,000.00; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer from Transit Sourcing Services, Inc., to provide an additional 200 HRV 28 inch steel wheels, to be in the best interest of the Authority 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 Transit Sourcing Services, Inc. to provide 200 additional HRV 28 inch steel wheels, as specified and as required, is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer be and she is hereby authorized to amend Contract No. 2018-112 with Transit Sourcing Services, Inc. to provide 200 additional HRV 28 inch steel wheels.

Section 3. This said increase shall be payable from the General Fund, Fleet Management Department budget, in an amount not to exceed \$174,000.00, for a total contract amount not to exceed \$898,000.00.

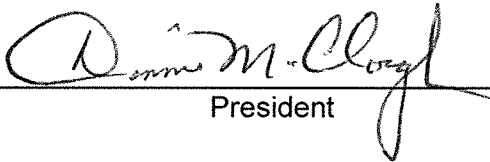
Section 4. That said increase shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the General Manager, Chief Executive Officer's change order authority is reinstated in its entirety.

Section 6. That all other terms and conditions of the original contract remain unchanged.

Section 7. That this resolution shall become effective immediately upon its adoption.

Adopted: October 27, 2020



President

Attest: 

Interim Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: AUTHORIZING AN INCREASE TO CONTRACT NO. 2018-112 FOR THE FURNISHING OF AN ADDITIONAL 200 HRV 28 INCH STEEL WHEELS, AS SPECIFIED AND AS REQUIRED VENDOR: TRANSIT SOURCING SERVICES, INC. AMOUNT: ADDITIONAL AMOUNT NOT TO EXCEED \$174,000.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$898,000.00	Resolution No.: 2020-76
	Date: October 22, 2020
	Initiator: Fleet Management Department
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 enter into a change order to Contract No. 2018-112 with Transit Sourcing Services, Inc. (TSSI) for the furnishing of an additional 200 Heavy Rail Vehicle (HRV) 28 Inch Steel Wheels.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority has an ongoing need to replace the 28 inch HRV steel wheels due to normal wear that occurs during train service. As part of the HRV's regular maintenance, HRV wheels are measured and machined to return the wheel's profile back into tolerance. When a wheel's diameter falls below 26 inches, it can no longer be machined and must be replaced.
- 3.0 **PROCUREMENT BACKGROUND:** On December 18, 2018, by Resolution 2018-108, the Authority awarded a contract to Transit Sourcing Services, Inc. (TSSI) for the furnishing of up to 800 Tokyu HRV 28 inch steel wheels, as specified and as required, for a period of three (3) years in an amount not to exceed \$667,000.00. To ensure continuity of service to the public, the Authority negotiated with TSSI for an early delivery of 200 HRV 28 inch steel wheels and the modification of the three-year wheel delivery schedule. To accommodate the Authority's early delivery request, TSSI needed to source the production of these 200 HRV 28 inch steel wheels from another foundry, resulting in an additional cost of \$57,000.00. Approval for this increase was authorized under the General Manager, Chief Executive Officer's authority on February 19, 2019, resulting in a new total contract amount not to exceed \$724,000.00.

Pending successful negotiations, the Authority plans to bring a resolution to the November 15, 2020, Board of Trustees meeting to approve an award of a new HRV steel wheel contract. Upon receipt of the new HRV steel wheels, the Fleet Engineering Department will require time to test them to ensure compliance to specifications. The Authority must make sure there is enough inventory to bridge the gap that may occur before the new HRV steel wheels can be used. TSSI has offered to provide an additional 200 HRV 28 inch steel wheels, as specified and as required, in a negotiated amount not to exceed \$174,000.00, which will result in a new contract total not to exceed \$898,000.00. This Change Order No. 2 was reviewed and approved by the Change Order Committee. A summary of these changes are included in Attachment A - Change Order Log.

A price analysis has been performed and the Procurement Department has determined the offer from Transit Sourcing Services, Inc. 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 certified DBE firms.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This change order will be payable through the General Fund, Fleet Management Department budget, in an amount not to exceed \$174,000.00, for a total contract amount not to exceed \$898,000.00.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this contract increase will impact the Authority's ability to maintain its heavy rail vehicles.
- 8.0 RECOMMENDATION: It is recommended that the offer of Transit Sourcing Services, Inc. be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer to modify the contract.
- 9.0 ATTACHMENT: Attachment A - Change Order Log.

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



General Manager, Chief Executive Officer

CHANGE ORDER LOG

CONTRACT NO. 2018-112

FURNISHING OF TOKYU HEAVY RAIL VEHICLE (HRV) 28 INCH STEEL WHEELS, AS SPECIFIED AND AS REQUIRED FOR A PERIOD OF THREE (3) YEARS

Contract #**2018-112**

Contractor: **Transit Sourcing Services, Inc.**

Original Contract Amount **\$667,000.00**

Total G.M./C.E.O. Authority Remaining **\$ 43,000.00**

Total Change Order Amount To Date **\$57,000.00**

<i>ITEM NO.</i>	<i>NOTE NO.</i>	<i>APPROVAL DATE</i>	<i>CHANGE ORDER AMOUNT</i>	<i>APPROVAL AUTHORITY</i>	<i>NEW CONTRACT AMOUNT</i>
1	1.	February 19, 2019	\$57,000.00	GM	\$724,000.00
2	2.	Pending	\$174,000.00	BOT	\$898,000.00

NOTES/CHANGE ORDER DESCRIPTION:

CO No. 1 Authorizes Funding for Early Delivery of 200 HRV steel wheels

CO No. 2 Increase contract for the procurement and delivery of an additional 200 HRV steel wheels