



City Council Report

Date: August 18, 2014
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal of the Term Contract for Tire Recapping Services for the Fleet Services Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Tire Recapping Services as recommended.

Fleet Services and Purchasing recommend authorizing a one-year renewal with Jack's Tire & Oil Management Co., Inc. dba Jack's Tire & Oil at \$400,000.00 annually, based on estimated requirements.

Background / Discussion

This contract provides tire recapping services including labor and materials, necessary repairs of tires for the City's entire fleet of heavy duty vehicles. Types of repairs include nail holes repairs, section repairs, side wall spot repairs, tread spot repair and bead under-tread spot repairs.

Solid Waste Management has a fleet of 42 refuse trucks that have 8 to 10 tires per vehicle. The City recaps approximately 1,550 tires per year. The average cost of a new heavy duty refuse truck tire is \$650.00 per tire.

On November 21, 2011, Council approved the initial three-year contract with renewal options. This is the first, one-year renewal contract with one, one-year renewal option remaining.

Jack's Tire & Oil offered to renew the contract without a price increase. The cost of petroleum, rubber and repair materials have increased by 10% since the original contract award in November, 2011 (Consumer Price Index). The City has been satisfied with the vendor's performance for the past seven plus years. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Alternatives

Council may choose not to authorize the purchase and new bids will be obtained.

Fiscal Impact

The annual contract amount is funded by the Fleet Services department operating budget.

Coordinated With

Fleet Services and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Proposals

Solicitation Number: 2011200

Responses Received: Seven (including two deemed as Non-Responsive and one was located out of state and a site visit could not be conducted)

Initial Contract Term: Three Years

Renewal Term: One Year

Renewal Terms Remaining: One, one-year subject to future Council consideration

Proposal Results:

| Offerors | Evaluation Results (1,000 points possible) |
|---|--|
| Jack's Tire & Oil Management Co., Inc. dba Jack's Tire & Oil – Phoenix, AZ | 922 points |
| Redburn Tire Company – Phoenix, AZ | 908 points |
| Purcell Tire Company – Phoenix, AZ | 812 points |
| Roberts Tire Sales, Inc. – Mesa, AZ | 774 points |
| GCR Tire Center – Phoenix, AZ | Non-Responsive (Incomplete submittal) |
| Wingfoot Commercial Tire Systems, LLC – Phoenix, AZ | Non-Responsive (Incomplete submittal) |
| Tire Centers, LLC – Phoenix, AZ | Facility located out of state. Team could not travel to conduct site visit. |

RENEWAL RECOMMENDATION

Jack's Tire & Oil
Phoenix, AZ

| Description |
|---|
| Tire Recapping Services per Terms and Conditions, Specifications and Pricing as offered |
| Annual Contract Amount: <u>\$400,000.00</u> |