



City Council Report

Date: September 22, 2013
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, Procurement Administrator
Subject: One-Year Renewal of the Term Contract for Goodyear Tires for the Materials and Supply Warehouse (for Fleet Services and Fire & Medical Departments) **(Citywide)**

Purpose and Recommendation

Council is requested to approve a Renewal of the Term Contract for Goodyear Tires as recommended.

Materials and Supply, and Purchasing recommend authorizing a one-year renewal using the State of Arizona Department of Transportation cooperative contract with Purcell Tire Company (a Mesa business) at \$900,000 annually, based on estimated requirements.

Background / Discussion

This contract provides Goodyear brand tires for use by Fleet Services and Fire Resource Management to maintain the City's fleet and Fire vehicles. Different brands of tires are required to meet the needs of varying vehicles and applications as well as to match existing tires on vehicles and equipment throughout the City. Tires are inventoried and ordered as-needed by the Warehouse.

The State ADOT contract was awarded through a competitive solicitation which allows the City to realize savings due to the statewide volume discounted pricing. The contract allows the agency to select from the list of authorized distributors and staff has chosen the Mesa location, Purcell Tire Company.

On January 23, 2013, ADOT transferred Contract #ADOT11-000441 to the State Procurement Office resulting in a new Contract reference #ADSP013-039473. On July 11, 2014, the State extended its contract from 10/1/2014 through 9/30/2015.

On November 1, 2010, Council authorized the initial term contract at \$737,000; and authorized three, one-year renewals (November 21, 2011 at \$792,000, October 15, 2012 at \$792,000 and October 28, 2013 at \$750,000). This is the fourth (final), one-year renewal at \$900,000 which is an increase from last year due to tire cost increases.

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 Materials and Supply operating budget.

Coordinated With

Business Services – Materials and Supply, and Purchasing

PURCHASING INFORMATION

Action: Renewal

Contracting Agency: State of Arizona

Contracting Agency Contract Number: ADSPO13-039473

Mesa Contract Number: 2010017

Initial Contract Term: 11/1/2010 through 9/30/2011

Renewal Term: One Year

Renewal Terms Remaining: None

Prices: Given the State's volume, the City is unlikely to obtain a better discount by competitive bid. The City has been satisfied with the vendor's performance over the past four years.

RENEWAL RECOMMENDATION

Purcell Tire Company

Mesa, AZ

Description
Goodyear Vehicle and Equipment Tires per Terms and Conditions, Specifications and Pricing as offered per ADSPO13-039473
Annual Contract Amount: <u>\$900,000</u>