



City Council Report

Date: March 18, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: One-Year Renewal to the Term Contract for Tire Maintenance and Repair Services for the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the contract renewal as recommended.

The Fleet Services Department and Purchasing recommend authorizing the renewal with Jack's Tire & Oil Management Company, Inc., at \$400,000, based on estimated usage.

Background / Discussion

This contract provides tire maintenance and repair services on all, wheeled equipment maintained by the Fleet Services Department. The City's overall fleet size is approximately 1,600 units. Work includes providing all labor, equipment, tools, service trucks and services required for inspection, scheduled maintenance and repairs of all, wheeled equipment (monitor and maintain proper tire pressure, check tire tread depth, rotate tires, repair, install new tires, inspect, and submit reports), and emergency road calls for repairs to wheeled equipment.

Jack's Tire & Oil agreed to renew the contract with an overall price increase of 6% which is allowable per specifications (Producer Price Index has increased by 7.3% over the contract term). The vendor has maintained pricing for the past four years since December 2014. The increase is fair based on the industry and vendor's increased employee costs (healthcare, workers compensation and competitive wages for qualified technicians). This contract continues to be advantageous to the City and it is in the City's best interest to renew for the final year.

Purchase Information

Action: Renewal (2nd of 2 possible)
Procurement Type: Request for Proposals
Contract Number: 2015117
Responses Received: 3
Original Award Date: 2/9/2015
Initial Contract Term: Three years
Funding Source: Fleet Services Department operating budget through the Fleet Internal Services Fund