



# City Council Report

**Date:** November 18, 2019  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** Five-Year Term Contract with Five Years of Renewal Options for Vehicle Tires, Accessories and Related services for Citywide Departments as requested by the Business Services and Fleet Services Departments  
(Citywide)

## Recommendation

Council is requested to approve the award as recommended.

A committee representing the Business Services and Fleet Services Departments and Purchasing evaluated responses. The evaluation committee recommends awarding the contract to the highest scored proposal from The Goodyear Tire and Rubber Company; and Michelin North America, Inc.; at \$900,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

## Background / Discussion

This contract will provide vehicle tires, accessories and related services for the Fleet Services' and Mesa Fire and Medical's Fleet Divisions. The City of Mesa, as the Principal Procurement Agency, partnered with OMNIA Partners to make the resultant contract from this solicitation available to other Public Agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit, through OMNIA Partners' cooperative purchasing program. Combining usage volumes from multiple governmental agencies will result in volume discounts favorable to the participating Public Agencies.

The City of Mesa intends to award a contract to two contractors, Michelin North America, Inc. and The Goodyear Tire and Rubber Company, which will be used locally and nationally. The contract with Michelin will be marketed as a national tire contract through Omnia Partners that will be used by the City and Omnia Partners' cooperative purchasing program. The Goodyear Tire and Rubber Company contract will be awarded for City of Mesa use only. As part of the solicitation response, The Goodyear Tire and Rubber Company declined to participate in a national contract but was interested in submitting for the City's needs.

OMNIA Partners is the largest and most experienced purchasing organization for public and private sector procurement. Through the economies of scale created by OMNIA Partners public sector subsidiaries, National IPA and U.S. Communities, participants have access to more competitively solicited and publicly awarded cooperative agreements.

Public Agencies benefit from pricing based on aggregate spend and the convenience of a contract that has already been advertised and publicly competed. The Supplier benefits

from a contract that allows Participating Public Agencies to directly purchase goods and services without the supplier's need to respond to additional competitive solicitations. As such, the supplier must be able to accommodate a nationwide demand for services and to fulfill obligations as a nationwide supplier.

While no minimum volume is guaranteed to the Supplier, the estimated annual volume of contract purchases and related services purchased under the Master Agreement through OMNIA Partners, Public Sector is approximately \$50 million annually. This projection is based on the current annual volumes among the City of Mesa, other Participating Public Agencies anticipated to utilize the resulting Master Agreement to be made available to them through OMNIA Partners, and volume growth into other Public Agencies through a coordinated marketing approach between the Supplier and OMNIA Partners.

The City received two proposals, of which all met the minimum qualifications. The evaluation committee completed the scoring of these responses against the evaluation criteria in the solicitation. Award is being recommended to the highest scored, responsive, responsible respondents. The evaluation committee unanimously agreed on the recommendation.

### **Purchase Information**

Action: Award

Procurement Type: Request for Proposals

Contract Number: 2019209

Local Consideration: Not applicable as there were no Mesa responses

Protests Received: None

Initial Contract Term: Five years

Possible Renewals: Up to a maximum of five years subject to Administrative review and approval

Funding Source: Business Services Department – Materials and Supply operating budget through the Warehouse Internal Services Fund and Mesa Fire and Medical Department operating budget

### **Proposal Responses**

The Goodyear Tire and Rubber Company  
Akron, OH

Michelin North America, Inc.  
Greenville, SC

No Bid response received from:  
Coyote Tire Retreading, Inc.

### **Final Scoring**

Respondent	Total Points Possible / 200
The Goodyear Tire and Rubber Company (Recommended)	<u>766.08</u>
Michelin North America, Inc. (Recommended)	<u>771.39</u>