



City Council Report

Date: January 9, 2023
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Dollar Limit Increase and One-Year Renewal to the Term Contract for Tires for the Materials and Supply Warehouse (for the Fleet Services and Mesa Fire and Medical Departments) **(Citywide)**

Recommendation

Council is requested to approve the contract renewal as recommended.

The Business Services Department and Purchasing recommend increasing the dollar limit using the NASPO/State of Arizona cooperative contract for Year 4 by \$100,000, from \$325,000 to \$425,000 annually; and authorizing the renewal at \$450,000 annually with Southern Tire Mart, LLC (formerly Redburn Tire Company) and Purcell Tire Company, based on estimated usage.

Background / Discussion

This contract provides Bridgestone tires, primarily large tires for heavy-duty vehicles such as solid waste trucks and fire apparatus from Southern Tire Mart, LLC. Different brands of tires are required to meet the needs of varying vehicles and applications, and to match existing tires on vehicles and equipment. This contract also provides Goodyear tires from Purcell Tire Company (Mesa vendor) which can quickly supply the tires the City needs and is another option to purchase emergency vehicle tires for Mesa Fire and Medical's fire apparatus. Both Southern Tire Mart and Purcell are NASPO/State of Arizona cooperative vendors.

Southern Tire Mart, LLC was added to this contract in August 2022, as they purchased Redburn Tire Company at the time.

The City is currently in Year 4 (4/1/2022 to 3/31/2023). Due to tire price increases across the board, tire purchase expenditures have already reached the contract threshold. Fleet Services requested and management approved an administrative increase of \$25,000 on 12/6/2022. The dollar limit increase is needed for the City to continue making tire purchases through the Year 4 term period.

It is in the City's best interest to renew the contract using the NASPO/State of Arizona cooperative contract for Bridgestone tires. The volume discounts received under this cooperative are due to economies of scale and it is unlikely the City would obtain better

pricing through a competitive bid. The City has been satisfied with each vendor's performance. This contract is advantageous to the City and it is in the City's best interest to renew the contract for the final year (Year 5 from 4/1/2023 to 3/31/2024).

Purchase Information

Action: Amendment (Year 4) and One-Year Renewal – Final Year (Year 5)

Procurement Type: Cooperative Contract Use

Contract Number: 2019240

Agency Contract Numbers:

CTR042117 Bridgestone Americas Tire Operations LLC (Southern Tire Mart, LLC)

CTR042263 Goodyear Tire and Rubber Company LLC (Purcell Tire Company)

Local Consideration: Policy did not apply to this procurement method

Possible Renewals: None

Funding Source: Business Services Department - Materials & Supply operating budget through the Warehouse Internal Services Fund (\$50,000), and Mesa Fire and Medical Department (\$75,000) operating budget

Dollar Limit History

Council Approved Increase (Years 3 and 4) - 12/8/2021:	\$300,000.00
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Administrative Approved Increase – 12/6/2022:	\$25,000.00
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Dollar Limit Increase Request for Year 4 - 1/9/2023:	<u>\$100,000.00</u>
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New Annual Contract Value (Year 4 through 3/31/2023):	<u>\$425,000.00</u>
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Council Approved Increase (Years 3 and 4) - 12/8/2021:	\$300,000.00
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Administrative Approved Increase – 12/6/2022:	\$25,000.00
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Dollar Limit Increase Request for Year 5 - 12/8/2022:	<u>\$125,000.00</u>
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New Annual Contract Value (Year 5 through 3/31/2024):	<u>\$450,000.00</u>
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