

To: O&S Committee

Date: September 28, 2015

From: J. Scott Mitchell
Director of Maintenance

Reviewed by:

SUBJECT: Leased Tires and Related Services Contract

BACKGROUND: Central Contra Costa Transit Authority leases the tires on the revenue vehicles. Every five (5) years, the maximum term allowed by the Federal Transit Administration, County Connection goes to bid for a renewal contract.

SUMMARY OF ISSUES: An Invitation For Bids (IFB) was issued on June 29, 2015 to seek a new contract for this service. On the bid opening date of August 18, 2015, one bid was received; that bid was from Goodyear. Firestone had previously issued a letter stating that it did not intend to bid on our IFB.

County Connection is in need of a contract for the continued supply of tires for the revenue buses. The advantage to having a tire company under contract for the supply of tires provides County Connection with a guarantee of tires in the event of a materials shortage for the production of bus tires. Although County Connection received a single bid, the cost analysis did show that the Goodyear bid was fair and equitable. Staff is recommending that the committee proceed with approving the submitted bid and requesting the Board of Directors to authorize the General Manager to enter into a contract with Goodyear for a five (5) year contract for Leased Tires and Related Services.

OPTION 1: The O&S Committee recommends that the County Connection Board of Directors award a contract to The Goodyear Tire & Rubber Company for Leased Tires and Related Services.

OPTION 2: The O&S Committee direct staff to re-advertise the procurement.

FINANCIAL IMPLICATIONS: Tires: The IFB response by Goodyear contains fixed rates for each of the five years of the contract period. The rates for tires for the first year of the contract are as follows:

Tires on the 35' and 40' coaches: .006900/mile
Tires on the 29' coaches: .008056/mile
Tires on the electric trolleys: 0.010070/mile

The first year annual financial implication for tires will be a decrease of \$7,034.04 - a decrease of 4.7%.

Service: The rate for Service for the first year of the new contract is \$6,345/month.

The first year annual financial implication for Service will be an increase of \$245.00 - an increase of 4.02%.

After the first year, the bid submitted by Goodyear lists the following percentage increases:

Second Year 0% for Tires and 4.96% for Service
Third Year 3.0% for Tires and 5.03% for Service
Fourth Year 4.0% for Tires and 5.00% for Service
Fifth Year 4.98% for Tires and 4.97% for Service

RECOMMENDATIONS: Staffs recommends that the O&S Committee recommend award of a five (5) year contract to The Goodyear Tire & Rubber Company at the guaranteed rates specified in their bid of August 17, 2015.

ACTION REQUESTED: The O&S Committee recommend to the Board of Directors at its October 15, 2015 meeting, the award of a contract by County Connection to The Goodyear Tire & Rubber Company for a five (5) year period at the guaranteed rates specified in their bid for Leased Tires and Related Services.