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Title: Award a requirements contract for retreading of commercial truck tires to The Goodyear Tire & Rubber Co. of Fresno, California, for two years with three one-year options, in the annual amount of \$335,099.19, plus annual CPI adjustments (Bid File 9659)

Sponsors: General Services Department

Indexes:

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Attachments: 1. Bid Evaluation 9659

Date	Ver.	Action By	Action	Result
3/9/2023	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: BRAIN BARR, Director
General Services Department

BY: DUANE MYERS, Fleet Manager
Fleet Management, General Services Department

SUBJECT

Award a requirements contract for retreading of commercial truck tires to The Goodyear Tire & Rubber Co. of Fresno, California, for two years with three one-year options, in the annual amount of \$335,099.19, plus annual CPI adjustments (Bid File 9659)

RECOMMENDATION

Staff recommends Council approve the award of a requirements contract for retreading of commercial truck tires to The Goodyear Tire & Rubber Co. of Fresno, California, for two years with three one-year options, in the annual amount of \$335,099.19, plus annual CPI adjustments.

EXECUTIVE SUMMARY

The General Services Department, Fleet Management Division maintains the City of Fresno municipal fleet of 2,400 vehicles and equipment. This contract will supply retreaded commercial truck tires as needed for the next two years with the possibility for three, one year extensions. Retreading commercial truck tires are used tires, which receive a new tread. The worn tread is buffed away, and a new tread is bonded to the casing similar to how a new tire is manufactured. Retread tires are the preferred method to replacing worn tires as they are safe, reliable, and cost less than new tires. Last year the Fleet Management Division purchased over 1,000 retread tires, ranging from \$185 to \$240 each. Whereas new tires range in cost from \$600 to \$700 each.

BACKGROUND

The Fleet Management Division is responsible for purchasing and maintaining tires for the City's fleet of vehicles. A combination of new and retread commercial tires are utilized for maintenance and repair.

Retread commercial truck tires are used tires (i.e., casings) which receive a new tread. The casings are first inspected to ensure they are in suitable condition, then worn tread is buffed away. A new tread is bonded to the casing in a manner similar to how a new tire is made. Tire retreading practices have improved to the point where retread tires perform similar to new tires. Retread tires are the preferred method to replacing worn tires as they are safe, reliable, and cost less than new tires. Moreover, Federal Executive Order 13149 mandates the use of retreads on government vehicles whenever possible.

Last year the Fleet Management Division purchased over 1,000 retread tires, ranging from \$185 to \$240 each. Whereas new tires range in cost from \$600 to \$700 each. Establishing a competitively bid multi-year contract for the retread tires will keep prices stable and allow for consistent budgeting for the term of the contract.

Competitive bids were solicited for retreading of commercial truck tires on July 18, 2022; three bids were received on August 9, 2022. The Goodyear Tire & Rubber Co. of Fresno, California, was determined to be the lowest responsive and responsible bidder with a bid price of \$285,099.19. General Services is recommending a \$50,000 contingency be included in the award to account for the expected growth in the municipal fleet and account for annual variations in tire replacements. Therefore, General Services recommends a total annual award value of \$335,099.19. The Purchasing Division has approved this contract and recommends Council approve. Bids will expire on March 31, 2023.

The City Attorney has approved the contract as to form.

ENVIRONMENTAL FINDING

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the award of this contract does not qualify as a "project" as defined by CEQA.

LOCAL PREFERENCE

Local preference is applicable to this award and The Goodyear Tire & Rubber Co. is a local business pursuant to FMC 4-108, however local preference was not implemented because the lowest bidder is a local business.

FISCAL IMPACT

No general funds will be used to purchase these items. The funding to cover the purchase cost of retreading of commercial truck tires has been included in General Services FY2022 adopted budget under the operations of the Fleet Management Division.

Attachment:
Bid Evaluation 9659