



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** JUNE 23, 2015

FROM: GENERAL SERVICES DEPARTMENT **WARDS:** ALL

SUBJECT: EXTENSION OF BID NO. 7159 FOR THE PURCHASE OF RECAPPED TIRES FOR CITY VEHICLES IN ACCORDANCE WITH PURCHASING RESOLUTION 22576 SECTION 201(G)

ISSUE:

The issue for City Council consideration is approval to extend Bid No. 7159 for recapped tires from Parkhouse Tire, Inc. (Parkhouse) for the purchase of recapped tires for various City vehicles in accordance with Purchasing Resolution 22576, Section 201(g).

RECOMMENDATION:

That the City Council approve the extension of Bid No. 7159 for the purchase of recapped tires in the amount of \$152,102.26 for the period of July 1, 2015 through June 30, 2016 from Parkhouse Tire, Inc., of Fontana, California in accordance with Purchasing Resolution 22576, Section 201(g).

BACKGROUND:

The Fleet Management Division purchases recapped tires for certain heavy-duty City vehicles and equipment applications. Recapping tires is a cost efficient and environmentally responsible alternative to purchasing new tires since fewer tires are being consumed. In addition, the use of recapped tires is an industry standard for heavy-duty vehicle applications and to ensure safety, tire recapping use is limited to the rear wheels of heavy duty vehicles only. On May 13, 2013 Bid No. 7159 was issued for the annual requirement of recapped tires; five responses were received. The lowest responsive bid was from Parkhouse.

Purchasing Resolution 22576, Section 201(g), states that competitive procurement shall not be required when goods or services can be procured from a contractor who offers the same or better price, terms and conditions as the contractor previously offered as the lowest responsible bidder under competitive procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the City's Purchasing Services Manager, it is in the best interest of the City to do so. Consistent with the Purchasing Resolution, a new procurement is not needed in this instance as the current contractor has agreed to extend the current contract pricing for an additional year, through June 30, 2016. It is not unusual for a contractor to offer to extend contract pricing beyond an initial bid period as this allows the vendor an opportunity to extend their business relationship with the City. In turn, the City is able to continue receiving services from a known vendor at favorable rates previously established through a competitive procurement.

The Purchasing Services Manager concurs with the recommendation above.

FISCAL IMPACT:

The total cost is \$152,102.26. Sufficient funds are available in the proposed Fiscal Year 2015/16 budget, General Services Central Garage Account No. 0000650-141200.

Prepared by: Kris Martinez, General Services Director

Certified as to

availability of funds: Brent A. Mason, Finance Director/Treasurer

Approved by: Deanna Lorson, Assistant City Manager

for John A. Russo, City Manager

Approved as to form: Gary G. Geuss, City Attorney