



CITY OF LONG BEACH

C-8

DEPARTMENT OF FINANCIAL MANAGEMENT

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March 13, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-01712 and award primary and secondary contracts, for the purchase of retread tires and service, to Sudduth Tire Co, Inc., a Long Beach-based business (WBE and Local), in the amount of \$130,000, and Industrial Tire Service, a Long Beach-based business (Local; not an MBE, WBE or SBE), in the amount of \$40,000, for a total amount not to exceed \$170,000, for a period of one-year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into annual contracts with Sudduth Tire Co., Inc. and Industrial Tire Service for the purchase of retread tires and service to support the City's tire maintenance program. The City's tire maintenance program consists of the retreading of tires and tire-related accessories. There are approximately 140 vehicles in the fleet that use retread tires, primarily consisting of heavy-duty equipment, excluding safety vehicles. Retread tires are only used on the rear tires of the vehicles. Vehicles using retread tires get the same mileage as those with new tires at half the cost, resulting in cost savings to user departments.

The bid for retread tires was advertised in the Press-Telegram on January 7, 2012, and 34 potential bidders specializing in retread tires were notified of the bid opportunity. Of those bidders, seven downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Two bids were received on January 12, 2012. Of those two bidders, none were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), none were certified Small Business Enterprises (SBEs), and two were Long Beach businesses (Local). Sudduth Tire

Co, Inc., a Long Beach-based business (WBE and Local), and Industrial Tire Service, a Long Beach-based business (Local; not an MBE, WBE or SBE), were the lowest responsible bidders.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit bids for City contracts. The Purchasing Division also assisted businesses with registering on the Bids Online database to download the bid specifications. Through outreach, four Long Beach vendors were contacted to submit bids, of which two downloaded and submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on February 23, 2012 and Budget Management Officer Victoria Bell on February 28, 2012.

SUSTAINABILITY

Tires used by the City are intended to gain maximum use and wear. Tires are recapped when safe and feasible to do so. Fees are paid to the contractor per tire for proper ecological disposal. In the event the tire(s) cannot be recapped, they will be sent to Crumbs Rubber Manufacturing to be recycled into road base, playground mats or similar products.

- **Environmental benefits** - Safe tires, when inflated and properly maintained, will reduce fuel consumption and emissions, by reducing drag. Recapping tires decreases the impact of spent core(s) by recycling and reusing worn tires. Recapping tires locally reduces GHG emissions by cutting the shipping distance.
- **Energy security benefits** - Utilizing safely inflated and maintained tires reduces energy consumption. Utilizing retread tires lessens energy used in manufacturing and distribution.
- **Economic benefits** - Retread tires cost substantially less than new tires. Properly maintained and mounted tires utilizing maximum wear within proper safety parameters, reduces waste and maximizes the full use of the product.
- **Quality benefits** - Retread tires, properly vulcanized and mounted, will wear at a rate similar to a newly purchased tire.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-01712 and award contracts concurrently is requested on March 13, 2012 to ensure that new contracts are in place expeditiously.

FISCAL IMPACT

The combined annual cost of these contracts, in an annual amount not to exceed \$170,000, is budgeted in the Fleet Services Bureau (IS 386) in the Department of Public Works (PW). The award of these contracts will provide continued support to our local economy by assisting in the preservation of seven full-time employees residing in Long Beach with employment.

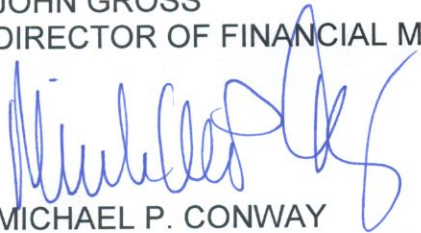
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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APPROVED:



PATRICK H. WEST
CITY MANAGER