



RECOMMENDED ACTION

To authorize the President and CEO to enter into a three-year contract with two one-year options for the leasing and servicing of bus tires with The Goodyear Tire & Rubber Company.

STAFF REPRESENTATIVE

Segio Ortiz, Manager, Fleet Maintenance, Maintenance and Infrastructure

BACKGROUND

On September 24, 2020, Long Beach Transit's (LBT) Board of Directors authorized the President and CEO to exercise the third and final one-year option for the leasing and servicing of tires with Michelin North America, Inc. (Michelin).

LBT has historically contracted with third-party suppliers for the leasing and servicing of tires for its fleet of buses.

Routine tire inspections, repairs and replacements have a direct effect on customers' riding experience and safety. Tire leasing and servicing is more economical than purchasing, since tires are provided based on a per mile-driven lease rate with the costs of inspection, repair, replacement and inventory included for the terms of the contract.

Entering into a contract for tire leasing and servicing through a third-party supplier is in alignment with LBT's Strategic Priorities of "Improve Safety and Service Quality" and "Exercise Financial Accountability." LBT has carried greater than 23 million customers per year in the City of Long Beach and 13 surrounding cities. LBT annually runs more than 6.9 million service miles.

The existing contract with Michelin will expire January 2022. The current contract provides LBT with all necessary tires, equipment, and personnel to replace and maintain tires on all revenue buses. Therefore, LBT recommends entering into a new contract for tire leasing and servicing to continue transit service operations.

PROCUREMENT

LBT issued a Request for Proposal (RFP) to multiple firms and received two qualified proposals. The proposals were reviewed and deemed responsive and compliant. The proposals were evaluated based on the following criteria:

- Firm Profile (15%)
- Project Team (15%)
- Work Plan (20%)
- System/Product Proposed (15%)



- References (10%)
- Pricing (25%)

The total amount of possible points for the technical evaluation was 75. Pricing made up an additional 25 points, for a total of 100 points. The top two firms, based on the technical evaluation and pricing, had scores of 67.67 and 72.73 points.

The combined technical score and overall cost resulted in the selection of The Goodyear Tire & Rubber Company. The Goodyear Tire & Rubber Company located in Akron, Ohio, was found to be responsive and compliant by LBT’s Purchasing department at a cost of \$3,776,180 for the three-year base contract and two option periods.

DBE/SBE PARTICIPATION

A Small Business Enterprise (SBE) goal of 6% was established for this contract. The Goodyear Tire & Rubber Company satisfied the SBE goal of 6% by subcontracting with Islas Tires, a SBE certified by LA Metro, to provide temporary staffing for tire services.

ALTERNATIVES CONSIDERED

Staff could procure and maintain its own tires however contracting services to third-party tire supplier is more dependable and reliable for obtaining the products. It has been LBT’s practice to lease tires to maintain reliable inventory and better manage tire disposal.

BUDGETARY/FISCAL IMPACT

Funds for Year One of this contract were included in the previously approved Fiscal Year 2022 Operating Budget, and funding for subsequent years will be included in future operating budgets. Non-federal funds will be utilized for this procurement.

The contract cost for leasing and servicing of tires will total \$3,776,180 for the three-year base contract and two option periods. The cost breakdown for the contract would be as follows:

Base Year + Options	Annual Sub-Total, Lease Plus Service Fee
Base Year 1	\$676,317
Base Year 2	\$714,711
Base Year 3	\$750,173
Option Year 1	\$806,138
Option Year 2	\$828,841
Grand Total	\$3,776,180



STAFF RECOMMENDATION

Staff is requesting LBT's Board of Directors to authorize the President and CEO to enter into a three-year contract with The Goodyear Tire & Rubber Company for leasing and servicing of bus tires at a cost of \$2,141,201 with two, one-year options at \$806,138 for Option Year One and \$828,841 for Option Year Two for a total authorization amount not to exceed \$3,776,180.

A handwritten signature in blue ink that reads "K. McDonald".

Kenneth A. McDonald
President and Chief Executive Officer