



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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May 7, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-02513 and award contracts to Daniels Tire Service, of Santa Fe Springs, CA (not a Local, MBE, WBE or SBE), and Sudduth Tire Co., Inc., of Long Beach, CA (Local and WBE, not a MBE or SBE), for the purchase of vehicle tires, in an annual combined amount not to exceed \$470,000, for a period of two years, 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 Daniels Tire Service, and Sudduth Tire Co., Inc., for the purchase of vehicle tires to support the Department of Financial Management's Fleet Services Bureau, as well as the Water and Harbor Department's tire maintenance program. The tire maintenance program consists of providing new tires and tire-related accessories for small, medium, heavy-duty and specialty vehicles, and safety tires for Police and Fire Department vehicles. This contract will support over 2,100 vehicles Citywide.

The City's Fleet vehicles require tires that meet the manufacturer's specifications. The requirements were reevaluated and identified in the bid specifications in order to better meet the equipment needs and seek potential cost savings. The improved specifications allow the City to properly utilize tires and tire-related accessories according to the manufacturer's specifications.

On December 4, 2012, the City Council awarded a contract for tires to Scher Tire, Inc., a Long Beach-based business. In January 2013, the City was notified that Scher Tire's main office had closed the business and would not be able to fulfill the contract. Upon this notice, the Purchasing Division immediately began the process of re-bidding for this commodity.

The rebid was advertised in the Press-Telegram on January 24, 2013, and 178 potential bidders specializing in vehicle tires were notified of the bid opportunity. Of those bidders, 14 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. Five bids were received on February 7,

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2013. Of those five bidders, none were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), none were certified Small Business Enterprises (SBEs), and one was a Long Beach business (Local). Daniels Tire Service, of Santa Fe Springs, CA (not a Local, MBE, WBE or SBE), and Sudduth Tire Co., Inc., a Long Beach-based business (Local and WBE, not a MBE or SBE), were the lowest responsible bidders.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division assists businesses with registering on the Bids Online database to download bid specifications. Through outreach, 37 Long Beach vendors were notified to submit bids, of which four downloaded and one 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 April 15, 2013 and Budget Management Officer Victoria Bell on April 17, 2013.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-02513 and award contracts concurrently is requested on May 7, 2013 to ensure that the contracts are in place expeditiously.

FISCAL IMPACT

The combined not to exceed annual cost of these contracts is \$470,000, including tax. Of that amount, \$375,000 is budgeted in the Fleet Services Fund (IS 386) in the Department of Financial Management (FM); \$70,000 in the Water Fund (EF 310) in the Water Department (WA); and, \$25,000 in the Harbor Operations Fund (HA 430) in the Harbor Department (HA). The award of these contracts will provide continued support to our local economy by assisting in the preservation of six full-time employees residing in Long Beach with employment.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER