

## **C-5**

July 20, 2021

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

### RECOMMENDATION:

Adopt Specifications No. ITB FS21-044 and award contracts to Daniels Tire Service, of Santa Fe Springs, CA, and Industrial Tire Service, Inc., of Long Beach, CA, for the purchase and delivery of new tires, in an annual aggregate amount of \$700,000, with a 10 percent contingency of \$70,000, for a total annual aggregate amount not to exceed \$770,000, for a period of two years, with the option to renew for three additional one-year periods; and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contracts, including any necessary amendments; and,

Increase appropriations in the Fleet Services Fund Group in the Financial Management Department by \$236,000, offset by payments from other City departments through the Fleet Memorandum of Understanding. (Citywide)

### DISCUSSION

City Council approval is requested to enter into contracts with Daniels Tire Service and Industrial Tire Service, Inc., for the purchase and delivery of new tires, in an annual aggregate amount not to exceed \$770,000. Expenditure estimates are based on tire manufacturer replacement recommendations and tire wear. It is projected that the annual aggregate amount will be sufficient to cover the wide variety of tires used on fleet vehicles and equipment.

The City has over 1,600 on-road and 400 off-road units in its fleet with 8,100 tires and wheels including spares. The selected vendors provide tires that meet manufacturer specifications and ensure the safest, most economical tires are utilized across the fleet. Tires require regular replacement to ensure safe and efficient fleet operations. In some instances, early tire replacement is needed due to the operational stresses of the work performed by the vehicles. The high-speed, pursuit-rated tires for the Police fleet are a substantial portion of the tire replacement program expense.

The bid was advertised in the Long Beach Press-Telegram on May 4, 2021, and 23 potential bidders specializing in tire sales were notified of the bid opportunity. Of those bidders, 12 downloaded the bid via the City's electronic bid system. The bid document was made available from the Purchasing Division, located on the sixth floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://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 35 local, minority-owned, and women-owned business groups. Three bids were received on May 20, 2021. Of those bidders, none were Minority-Owned Business Enterprises (MBEs) nor Women-Owned

Business Enterprises (WBEs), one was a certified Small Business Enterprise (SBE) and Long Beach business (Local). Daniels Tire Service (not a MBE, WBE, SBE, or Local) and Industrial Tire Service, Inc. (SBE and Local), were the lowest responsible bidders.

### **Local Business Outreach**

To align with the City's outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download the bid specifications. Through outreach, 38 Long Beach vendors were notified to submit bids, of which two downloaded and one submitted bids. 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 Taylor M. Anderson on June 28, 2021, Business Services Bureau Manager Tara Mortensen on June 17, 2021, and by Revenue Management Officer Geraldine Alejo on June 28, 2021.

### **SUSTAINABILITY**

The new tires are compliant with applicable regulations. While this contract is for new tires, it should be noted that recapped tires are also used for City vehicles, which are 40 percent less expensive than new tires and reduce environmental impacts by using fewer natural resources.

### **TIMING CONSIDERATIONS**

City Council action is requested on July 20, 2021, to ensure these contracts are in place expeditiously.

### **FISCAL IMPACT**

The total annual aggregate contract amount will not exceed \$770,000, inclusive of a 10 percent contingency. Of the total contract amount, \$110,000 has been requested by the Harbor and Water Departments for tire purchases needed for their operations. This amount will be funded by \$38,500 in the Harbor Fund Group in the Harbor Department, and \$71,500 in the Water and Sewer Fund Groups in the Water Department. The remaining amount of \$660,000 will be used for all other departments, of which \$424,000 is currently appropriated in the Fleet Services Fund Group in the Financial Services Department. An appropriation increase for the balance of \$236,000 is requested in the Fleet Services Fund Group in the Financial Management Department, offset by payments from other departments through the Fleet Services Memorandum of Understanding (MOU). Funding for vehicle and equipment replacement tires is collected through regular monthly MOU billing charges to multiple funds and departments. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The award of these contracts will provide continued support to our local economy by assisting in the preservation of employment for 13 employees residing in Long Beach.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA  
CITY MANAGER