



# CITY OF LONG BEACH

# R-23

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

April 21, 2009

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. PA-00608 and award contract to Scher Tire, Inc., for the purchase of vehicle tires in the amount of \$480,000 for a period of one year, with the option of renewing for one additional one-year period, and adding expenditures up to 10 percent (or \$48,000) above the annual contract amount, if necessary and if funds are available, at the discretion of the City Manager; plus an additional \$153,000 to cover expenditures made during the procurement process, for a total of \$633,000 in the first year. (Citywide)

## DISCUSSION

City Council approval is requested to enter into an annual contract for the purchase of vehicle tires to support the Department of Public Works, Fleet Services Bureau, Water Department and Harbor Department tire maintenance program. The tire maintenance program consists of new tires and tire-related accessories for small, medium, heavy-duty and specialty vehicles, and safety tires for Police and Fire.

The annual contract amount requested is \$480,000 with the option to add expenditures up to 10 percent (\$48,000). The additional \$153,000 is to cover expenditures made during the procurement process under an interim purchase order that expires April 30, 2009. A new contract should be in place by May 1, 2009.

In an effort to obtain the most cost-effective pricing, comprehensive bid specifications were created that incorporated miscellaneous tires and safety tires along with annual usages. These bid specifications allowed the City to achieve economies of scale and ensure the City is receiving the most competitive prices.

The bid was advertised on February 13, 2009, and 17 potential bidders specializing in tires and service were notified; two are Woman-owned Business Enterprises (WBEs), three are Minority-owned Business Enterprises (MBEs), six are Long Beach businesses and one is a certified Small Business Enterprise (SBE). 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](http://www.longbeach.gov/purchasing). A bid announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Five bids were received and a public bid opening occurred on February 27, 2009. Scher Tire, Inc., of Long Beach, CA (local) was the lowest responsible bidder.

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This matter was reviewed by Deputy City Attorney Amy R. Burton on March 23, 2009 and Budget and Performance Management Bureau Manager David Wodynski on March 25, 2009.

SUSTAINABILITY

New tires purchased by the City are intended to gain maximum use and wear. A per tire fee is paid to the contractor for proper ecological disposal of used and spent tires. Tires are recycled at Crumb Manufacturing and various products are produced such as road base and playground mats.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00608 and award the contract concurrently is requested on April 21, 2009 to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The cost of the contract is \$480,000 annually plus an additional \$153,000 to cover expenditures made during the procurement process, for a total of \$633,000 in the first year. Of that amount, \$483,000 is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW); \$100,000 in the Water Fund (EF 310) in the Water Department (WA); and, \$50,000 in the Harbor Fund (HA 430) in the Harbor Department (HA). The City will have the option of adding expenditures up to 10 percent (or \$48,000) above the annual contract amount, if necessary and if funds are available.

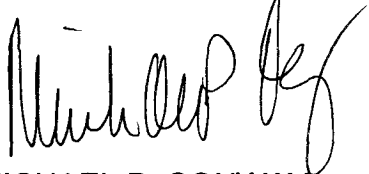
SUGGESTED ACTION:

Approve recommendation.

Respectfully Submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER