



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-11

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June 13, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS17-061 and award contracts to Daniels Tire Service, of Santa Fe Springs, CA, and Industrial Tire Services, Inc., of Long Beach, CA, for the purchase and delivery of new vehicle and equipment tires, in an annual aggregate amount not to exceed \$800,000, for a period of two years, with the option to renew for two additional one-year periods, at the discretion of the City Manager;

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 33049 with Daniel's Tire Service, Inc., of Santa Fe Springs, CA, to add \$100,000 for the purchase of new tires through the current contract's expiration on May 15, 2017, for a total contract amount not to exceed \$2,229,000; and,

Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$350,000. (Citywide)

DISCUSSION

City Council approval is requested to enter contracts with Daniels Tire Service and Industrial Tire Services, Inc., for the purchase and delivery of new tires to support the tire maintenance program. Tires are needed for a wide variety of vehicles and equipment used by City departments, including the Water and Harbor Departments. Annual costs are based on current expenditures and prices as submitted in the bids.

The City's fleet vehicles require tires that meet manufacturer's specifications. Manufacturer's specifications have been closely reviewed as part of this request to ensure the safest, most economical tires are utilized across the fleet. Tires require regular replacement to ensure safe and efficient fleet operations. Many vehicles of the City's fleet necessitate early tire replacement due to the nature of the work the vehicles are exposed to. Additionally, high-speed, pursuit-rated tires for the Police fleet are a substantial portion of the tire replacement program expense.

On April 7, 2015, the City Council approved an amendment to the current Contract No. 33049 with Daniel's Tire Service, to extend the term of the contract through May 15,

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2017. Additional spending authority of \$100,000 is being requested for this contract to cover tire purchases made through the current contract's expiration. An interim purchase order covering purchases made between May 16, 2017 and the adoption of the new contracts is in place, and does not require City Council approval per purchasing guidelines.

The bid was advertised in the Long Beach Press-Telegram on April 13, 2017, and 624 potential bidders specializing in automotive products and services were notified of the bid opportunity. Of those bidders, 22 downloaded the bid via the City's 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 22 local, minority, and women-owned business groups. Six bids were received on May 11, 2017. Of those six bidders, none were Minority-Owned Business Enterprises (MBEs), Women-Owned Business Enterprises (WBEs), or certified Small Business Enterprises (SBE), and two were Long Beach businesses (Local). Daniels Tire Service, of Santa Fe Springs, CA, and Industrial Tire Services, Inc., of Long Beach, CA, were the lowest responsible bidders.

Local Business Outreach

In an effort 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, 109 Long Beach vendors were notified to submit bids, of which three downloaded and two 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 Monica J. Kilaita and by Assistant Finance Director Lea Eriksen on May 25, 2017.

SUSTAINABILITY

New tires allow City vehicles and equipment to operate at peak efficiency, ensuring safety as well as maximizing fuel savings. Eligible tires are also recapped to ensure waste reduction and reduce costs.

TIMING CONSIDERATIONS

City Council action is requested on June 13, 2017, to ensure the contracts are in place expeditiously.

FISCAL IMPACT

The annual contract amount will not exceed \$800,000 and is budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM), Water Fund (EF 310) in the Water Department (WA), and Harbor Fund (HR 430) in the Harbor Department (HA). Existing Contract No. 33049 will be increased by \$100,000 for a total aggregate contract amount not to exceed \$2,229,000. Purchase costs in the Fleet Services Fund are recovered through regular monthly charges to multiple funds and departments. The award of these contracts will provide continued support to our local economy by assisting in the preservation of employment for nine full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:


PATRICK H. WEST
CITY MANAGER