



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting March 17, 2020

**DATE:** March 17, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Jim Davis, Director of Asset Management  
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### **Service Agreement of Recap Tire Repair for Asset Management**

#### **CAPTION:**

Motion authorizing two three-year service agreements with Southern Tire Mart, LLC of Columbia, Mississippi as the primary supplier for an amount not to exceed \$490,200.00 and Beasley Tire Service-Houston Incorporated, of Houston, Texas as the secondary supplier for an amount not to exceed \$326,800.00, for a combined total amount not to exceed \$817,000.00, for recap tire repair services for Asset Management, effective upon issuance of notice to proceed, with FY 2020 funding in the amount of \$136,166.67 available through the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This motion authorizes a three-year service agreement for recap tire repair services for City vehicles with Southern Tire Mart, LLC and Beasley Tire Service-Houston Incorporated. Recapping tires will keep the City fleet operational and with less downtime.

#### **BACKGROUND AND FINDINGS:**

The purpose for this service agreement is to provide the City with cost effective tires for Class-8 trucks which includes vehicles such as garbage trucks, dump trucks and brush trucks. The City has a high demand of approximately 2,500 tires a year; therefore, recap tire repair is a substantial savings in comparison to the purchase of new tires. The cost of a new tire can be as much as \$350.00 versus \$125.00 for recapping.

Currently, the Asset Management - Fleet Maintenance does not have a service agreement in place for this service.

The Contracts and Procurement Department conducted a competitive Request for Bid (RFB) process to obtain bids for a new contract. The RFB indicated a primary and secondary award would be established to provide for a backup supplier to the contract in the event the primary supplier is unable to provide the service. An estimated 60/40 percentage split is projected to be purchased from each of the vendors. The City received one non-responsive bid and three responsive, responsible bids, and is recommending the award to Southern Tire Mart, LLC as the primary vendor and Beasley Tire Service-Houston Incorporated as the secondary vendor.

**ALTERNATIVES:**

The alternative to accepting this bid would be to buy new tires instead of recapping tires which will be a higher cost to the City; therefore, securing this service agreement will result in cost savings to the City.

**FISCAL IMPACT:**

The fiscal impact for the Asset Management in FY 2020 is \$136,166.67 for a three-year service agreement for recap tire repair for City vehicles, with the remaining cost of 680,833.33 to be funded in future years through the annual budget process.

**Funding Detail:**

Fund:	5110 Fleet Maintenance Services
Organization/Activity:	40180 Parts Room Operation
Mission Element:	202 Maintain the Fleet
Project # (CIP Only):	N/A
Account:	520210 Cost of Goods Sold

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing a three-year agreement with Southern Tire Mart, LLC and Beasley Tire Service-Houston Incorporated for recap tire repair as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement