



AGENDA MEMORANDUM

Action Item for the City Council Meeting October 29, 2024

DATE: October 22, 2024

TO: Peter Zanoni, City Manager

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Service Agreement for Mobile Tire Repair Services for the City Fleet

CAPTION:

Motion authorizing the execution of a three-year service agreement with Southern Tire Mart, of Corpus Christi for mobile tire repair services for City fleet vehicles and equipment in an amount up to \$223,807.00, with FY 2025 funding of \$68,385.47 from the Fleet Maintenance Service Fund.

SUMMARY:

This motion authorizes a three-year service agreement with Southern Tire Mart, LLC. for mobile tire repairs services for City fleet vehicles and equipment.

BACKGROUND AND FINDINGS:

The purpose of this three-year service agreement is to provide mobile tire repairs for the City's fleet vehicles and equipment. City Departments regularly use mobile tire repair services through Asset Management's mobile tire repair service agreements. These departments include but are not limited to Animal Care, Development Services, Engineering, Gas, Parks, Police, Public Works, Solid Waste, and Corpus Christi Water. To utilize the mobile tire repair services, City Departments pay allocations from their annual budgets to Asset Management.

Through this service agreement, Southern Tire Mart, LLC. will provide mobile tire repairs services during regular working hours, after hours, and on holidays. The mobile tire repair services will include patching holes and replacing valve stems to fix flat tires and dismounting/mounting tires onto wheels if complete tire replacements are warranted.

The mobile tire repair services will be available to three groups of vehicles and equipment: Group 1 (light passenger and truck tires for vehicles and equipment less than 19,500 pounds), Group 2 (medium duty tires for vehicles and equipment greater than 19,500 pounds), and Group 3 (construction and off-road tires for construction and heavy equipment).

Previously, the City had two mobile tire repair services agreements: a primary agreement with E.B. Creager Tire & Battery for \$166,000 and a secondary agreement with Southern Tire Mart, LLC. for \$80,000. The primary agreement with E.B. Tire & Battery was originally set to expire in August 2024; however, the City extended the agreement with E.B. Tire & Battery until February 2025 to ensure continued tire repair services remained available through the procurement process for a new tire repair services agreement. The secondary agreement with Southern Tire Mart, LLC. expired in May 2024.

Since FY 2021, the City has averaged approximately 580 tire repair services per year. Asset Management does anticipate the average number of tire repair services to increase over time as the City adds additional units to its fleet. For FY 2025, Asset Management estimates that over 600 tire repair services will be needed for the City’s fleet. However, Asset Management has determined that two agreements (primary and secondary) for tire repair services are no longer necessary as just one agreement is able to fulfill the City’s demand for tire repair services. Additionally, Asset Management now has three in-house technicians that are also able to perform tire repair services, although they are not available after hours or on holidays and are not capable of performing certain tire repair services.

The proposed agreement also includes \$46,245 for the purchase of new tires when repairs cannot be made to existing tires. The purchase of new tires was not part of the previous agreements with E.B. Creager Tire & Batter and Southern Tire Mart, LLC. Instead, the City purchased tires as needed from various market vendors. This led to increased costs and less reliability.

Southern Tire Mart, LLC. performed very well during their previous three-year service agreement, performing over 1,000 tire repairs for the City’s fleet. Asset Management recommends continuing to work with them for mobile tire repair services through the proposed three-year service agreement.

PROCUREMENT DETAIL:

Procurement staff issued a Request for Bids (RFB) solicitation to obtain bids for mobile tire repair services. The City received three responses. Two of the bids were determined to be responsive and responsible, and one was determined to be non-responsive for not submitting their bid on the required City bid form.

The RFB detailed that the award would be recommended to the lowest bid for each of the three tire groupings: Group 1 (light passenger and truck tires for vehicles and equipment less than 19,500 pounds), Group 2 (medium duty tires for vehicles and equipment greater than 19,500 pounds), and Group 3 (construction and off-road tires for construction and heavy equipment).

Procurement staff recommends Southern Tire Mart, LLC., as the lowest, responsive, responsible bidder for all three groups (Groups 1, 2, and 3).

Below is a table that summarize the pricing difference between Southern Tire Mart, LLC. and E.B. Creager Tire & Battery for the three groups (Groups 1, 2, and 3).

Vendor	Group 1 Pricing	Group 2 Pricing	Group 3 Pricing	Total Pricing
Southern Tire Mart	\$57,509.25	\$130,587.00	\$35,710.75	\$223,807.00
E.B. Creager Tire & Battery	\$71,069.25	\$156,765.10	\$48,960.35	\$276,794.70

ALTERNATIVES:

The alternative is not to approve the service agreement and instead purchase services as needed

when mobile tire repairs are needed. However, this would result in higher prices for as-needed services. Also, Asset Management's three in-house technicians would not be able to keep up with the demand for tire repair services, which would result in added downtime for vehicles and equipment in the City's fleet.

FISCAL IMPACT:

The FY 2025 fiscal impact for the Fleet Maintenance Service Fund is \$68,385.47. The remaining amount of \$155,421.53 will be budgeted in future years through the annual budget process.

Funding Detail:

Fund: 5110 Fleet Maintenance Service Fund
Organization/Activity: 40170 Fleet Operations
Department: 13
Project # (CIP Only): N/A
Account: 530100
Amount: \$68,385.47

RECOMMENDATION:

Staff recommends approval of the motion authorizing a three-year service agreement with Southern Tire Mart, LLC. for mobile tire repairs for the City fleet vehicles and equipment, as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tab
Service Agreement