

**Board Report**

File #: 2024-0027, **File Type:** Contract**Agenda Number:** 27.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 18, 2024****SUBJECT: BUS TIRE LEASING & MAINTENANCE SERVICES****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a five-year, firm fixed unit rate Contract No. PS49398000 to The Goodyear Tire and Rubber Company for the lease and maintenance of tires for the Metro-operated bus fleet and servicing of non-revenue vehicle tires in an amount not to exceed \$48,996,516, effective July 1, 2024, subject to resolution of any properly submitted protest(s), if any.

ISSUE

The contract award will provide Metro bus divisions with uninterrupted bus tire and maintenance services for the transit bus fleet through June 30, 2029. This service contract aims to continue providing Metro with tire maintenance to ensure reliable service on its revenue bus fleet. In addition, the contract will continue to provide qualified and trained service personnel to perform tire inspections and maintain the Metro bus fleet in safe operating condition.

BACKGROUND

Metro's directly operated revenue bus fleet consists of nearly 1,900 buses utilizing approximately 12,480 leased tires, traveling over 67 million miles annually. These tires require maintenance and service daily. Lease costs are based on actual bus tire mileage utilization, plus a fixed monthly service rate and a per tire sales/use tax. This service contract includes waste remediation of all spent tire castings and a comprehensive tire maintenance program. The tire maintenance program includes tire rotation, mounting, regrooving, recapping, balancing, inflating, and wheel refurbishing.

This Contract will cover leased tires for the revenue fleet as well as tire maintenance services for both the revenue and non-revenue fleets. Non-revenue tires are purchased under a separate contract but are mounted and balanced under the bus tire leasing and maintenance service contract.

DISCUSSION

Consistent and effective maintenance and servicing of bus tires is a fundamental requirement for bus service performance and reliability. The Metro revenue bus fleet travels over 180,000 miles per day throughout Los Angeles County on city streets, freeways, and highways. The fleet of nonrevenue vehicles also requires the same level of consistent and effective maintenance and servicing of tires to ensure that these vehicles are in good condition to provide support to bus and rail operations. The buses and nonrevenue vehicles are continually operating in a range of weather conditions from extreme heat to rain and on various road surface conditions. It is an operational necessity for the tires on the Metro fleet to be serviced, maintained, and replaced on a daily basis to limit service interruptions. The tire leasing and maintenance services contract will provide Metro with continuous bus tire maintenance and services to meet Metro bus fleet service requirements.

Bus tire leasing and maintenance services improve the customer experience by ensuring that Metro transit buses safely transport patrons to their destinations. The bus tire and maintenance service contract will ensure Metro bus divisions are well stocked with replacement tires, tire inspections on buses are performed on a nightly basis, tread depth and tire wear are closely monitored, air pressure is maintained, and any tires showing abnormal wear are replaced prior to the bus being placed into revenue service.

The safety and security of both customers and operators are ensured by contracting these services with a company that can provide transit-rated tires and qualified service personnel to inspect and maintain the Metro bus fleet.

DETERMINATION OF SAFETY IMPACT

Approval of the recommendation will have a positive impact on safety. As tires on buses wear, they are regularly replaced as part of a preventive maintenance plan to ensure the safe operation of the Metro bus fleet. This bus tire leasing and maintenance services contract guarantees Metro has the capability of maintaining and replacing tires on its fleet.

FINANCIAL IMPACT

The total five-year contract amount for this action is \$48,996,516. Funding of \$9,115,492 will be included in the FY25 budget in cost center 3120, Quality Assurance, under project 306002, Operations Maintenance, and line item 50421, Tires Revenue Equipment. Since this is a multi-year contract, the Senior Executive Officer, Maintenance and cost center manager will be accountable for budgeting the cost in future years.

Impact to Budget

The current funding sources for this action include Federal, State, and Local funds, which are eligible for Operations. The use of these funding sources meets the intent of project allocation allowances

given approved funding provisions and guidelines.

EQUITY PLATFORM

This action is anticipated to support safety and quality of service on the Metro bus fleet, which disproportionately serves marginalized groups and Equity Focus Communities (EFCs). Bus tire maintenance services will be performed by qualified service personnel who have experience performing these services. As part of a comprehensive bus maintenance program, bus tire leasing and maintenance services will ensure buses remain in a State of Good Repair to provide uninterrupted transportation services for these underserved communities.

The Diversity and Economic Opportunity Department (DEOD) established a five percent (5%) Disadvantaged Business Enterprise (DBE) goal. The Goodyear Tire and Rubber Company exceeded the goal by making a 6% DBE commitment.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Bus tire leasing and maintenance services for Metro buses support Strategic Goal 1: Provide the basics (i.e., safe, clean, and reliable) for best-in-class transit service that meets/exceeds customer expectations. Metro must have a strong and effective tire maintenance program to ensure safe and reliable transportation services.

ALTERNATIVES CONSIDERED

Staff considered a purchase tire program rather than a lease tire program, where Metro personnel perform the required tire service. These services would include procuring, warehousing, transporting, installing, maintaining, and processing waste tires. This alternative is not recommended because of the increased labor cost to Metro, increased liability, and the added responsibility of properly disposing of thousands of waste tire castings. Staff also considered a lease tire program where Metro personnel provide the required tire service. This alternative is not recommended because of increased labor costs and liability for any unforeseen events.

The existing contracting method greatly reduces Metro's risk and eliminates the responsibility for the removal, transportation, and disposal of waste tires.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS49398000 with The Goodyear Tire and Rubber Company to provide bus tire leasing and maintenance services, effective July 1, 2024.

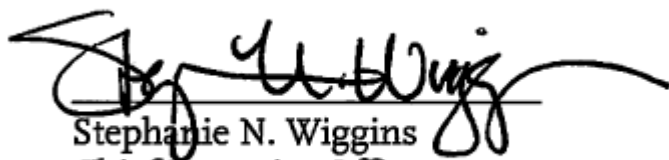
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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