



Board Report

File #: 2017-0520, **File Type:** Contract

Agenda Number: 29.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE SEPTEMBER 21, 2017

SUBJECT: BUS TIRE LEASING AND MAINTENANCE SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a five-year firm fixed unit rate Contract No. OP83932000-39383 for the lease and maintenance of tires of Metro-operated bus fleet and servicing of non-revenue vehicle tires to The Goodyear Tire & Rubber Company for the period covering October 1, 2017 through September 30, 2022, in an amount not to exceed \$40,908,927, subject to resolution of protest(s), if any.

ISSUE

Metro's fleet consists of approximately 2,241 buses of which 1,854 have six tires per bus and 387 articulated buses (Artics) with ten tires per bus, and all require proper maintenance and service on a regular basis. Metro must have a strong and effective tire maintenance program to ensure safe and reliable transportation services.

DISCUSSION

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.

Lease costs are based on actual bus tire mileage utilization, plus a fixed monthly service rate and a per tire sales/use tax. Included in this service cost is the remediation of all spent tire casings and a comprehensive tire maintenance program. The tire maintenance program includes tire rotation, mounting, regrooving, recapping, balancing, airing, and wheel refurbishing. Furthermore, the monthly service rate also includes tire maintenance and service for Metro's non-revenue fleet.

This Contract is subject to the DBE Contracting Outreach and Mentoring Plan (COMP) and the

Contractor commits to mentor one DBE firm for protégé development.

DETERMINATION OF SAFETY IMPACT

Approval of the recommendation will have a positive impact on safety. As the buses in Metro's fleet wear through their tires, those tires are regularly replaced as a part of a preventive maintenance plan to ensure safe operation of the buses. This Contract guarantees Metro has the capability of replacing tires on its fleet on demand.

FINANCIAL IMPACT

The total five year contract amount is \$40,908,927. Funding of \$7,845,444 for the current fiscal year is included in the FY18 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

Funding for this action will come from the Enterprise Operating fund. The source of funds will be from Federal, State and Local funding sources including sales tax and fares that are eligible for Bus Operating Projects. These funding sources will maximize the use of funds based on funding provisions.

ALTERNATIVES CONSIDERED

An alternative is a purchase tire program rather than a lease tire program. Under a purchase tire program Metro personnel would be required to provide all tire related services. These services would include procuring, warehousing, transporting, installing, maintaining and processing waste tires. This alternative is not recommended because of the need for additional Metro resources such as labor, warehouse space, transportation/equipment and regulatory requirements.

NEXT STEPS

Upon Board approval, staff will execute Contract No. OP83932000-39383, with The Goodyear Tire & Rubber Company, to provide bus tire leasing and maintenance services.

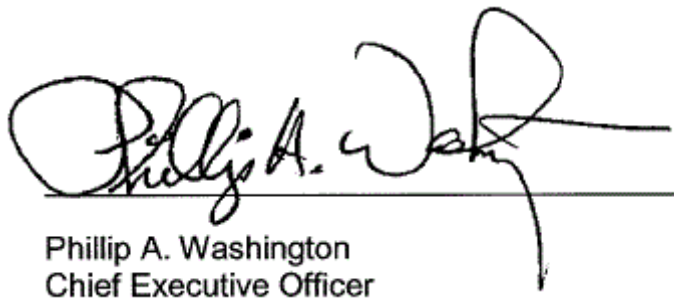
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Matthew Dake, Sr. Director Equipment Maintenance, (213) 922-5797

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer