

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER,
FINANCE DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
SUBJECT: CONTRACT EXTENSION FIRST AMENDMENT – F000936
RETREAD TIRES AND SERVICE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance and Transportation and Public Works Departments that the Council, by resolution, approve the First Amendment to Contract F000936 for retread tires and service for a two-year extension, with no increase in product unit pricing, and a 2.75% increase in cost for labor with Bridgestone Americas Tire Operations, LLC, dba GCR Tires, Santa Rosa, California, in the amount not to exceed of \$125,000.

EXECUTIVE SUMMARY

Contract F000936 for retread tires and services is due to expire on May 11, 2017. Bridgestone Americas Tire Operations, LLC, dba GCR Tires, has submitted a proposal for a two-year contract extension for services and supplies. Bridgestone Americas Tire Operations, LLC, dba GCR Tires continues to provide satisfactory services.

BACKGROUND

On May 12, 2015, the City Council awarded Contract #F000936 for a period of two years with up to three years of extension options for retread tires and services, in the total amount of \$125,000.

The services and supplies provided under this contract are for the Transportation and Public Works Department Fleet Division for the purchase of retread tires and related services for the City's fleet and Transit coaches. Related tire services include fixing flat tires, and mounting and dismounting of tires on various vehicles. Services and supplies are required to be provided by a local company due to the on-call service requirements with a minimum response time.

The requirements for this bid solicitation were based on an average usage from the previous fiscal year. The quantities that determined the contract amount are based on projected usage of the contracted services and supplies and are subject to change pending actual needs during the contract period.

PRIOR CITY COUNCIL REVIEW

On May 12, 2015, Council awarded a two-year contract with three years of extension options in the amount of \$124,500, with a contingency amount of \$12,450, for a total not to exceed \$136,950.

ANALYSIS

The proposal submitted by Bridgestone Americas Tire Operations, LLC, dab GCR Tires, is for a two-year period with no increase in product unit pricing, and a 2.75% increase in cost for labor. The increase is due to the anticipated increase in cost of living over the next two years. Included in Exhibit A-1 is an extended product cost sheet that will be held for the two-year period.

The City and Bridgestone Americas Tire Operations, LLC, dba GCR Tires, Santa Rosa, California, entered into a two-year agreement on May 12, 2015, awarded by the City Council. See contract activity chart below:

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	May 12, 2015	2-Yr Contract	\$136,950 (Includes 10% Contingency)	City Council
First Amendment	Pending	2-Yr Extension, addition of funds	\$125,000	City Council
Not to exceed Cumulative Contract Value			\$261,950	

The First Amendment to this contract extends the current services for an additional two years. Upon approval of the First Amendment, the cumulative value of the Contract #F000936 will be \$261,950 and will expire on May 11, 2019, leaving one additional year available as an extension option. Under the City’s Contract/Purchase Order Modification Policy III-9, this First Amendment requires approval by the City Council.

FISCAL IMPACT

The services and supplies for this contract are purchased as inventory through the Fleet Fund for equipment repair-auto parts. As the garage receives requests for this type of repair work, the inventory is charged to the department responsible for the vehicle. Under the new contract, annual expenditures are estimated to be \$62,500. The Fleet Fund has an annual budget for equipment repair-auto parts inventory that is sufficient to cover the cost of this contract.

ENVIRONMENTAL IMPACT

Not Applicable. This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not Applicable.

ATTACHMENTS

- Attachment 1 – First Amendment
- Resolution

CONTACT

Deborah Lauchner, Chief Financial Officer – Finance Department, 707-543-3089,
dlauchner@srcity.org
Amy Carter, Buyer – Finance Department, 707-543-3702, acarter@srcity.org