



STAFF REPORT

DATE: October 2, 2018
TO: Ronald L. Olson, City Manager
FROM: Jonathan Locke, Executive Director of Finance
SUBJECT: Authorize Procurement of Fleet Tires

BACKGROUND AND FINDINGS:

Fleet Services purchases tires for the City's fleet, and departments are charged for the tires as they are used. During the preceding three fiscal years, FY 2016, FY 2017, and FY 2018, the cost of tires has been \$226,000, \$221,000 and \$195,000 (estimated), respectively.

Vendor pricing is compared periodically to insure the best value for the City. Southern Tire Mart of Waco, TX continues to offer the best pricing and has provided new tires to the city for several years utilizing cooperative pricing with savings of up to 37% off of list price. Southern Tire Mart provides cooperative pricing pursuant to the Texas Association of School Boards (TASB) BuyBoard contract #553-18, effective through February 2021 and The Interlocal Purchasing System (TIPS) contract #180603, effective through August 2021.

THE ALTERNATIVES CONSIDERED:

1. Purchase the tires from Southern Tire Mart using the state purchasing cooperatives as proposed.
2. Seek alternative vendors outside the purchasing cooperative.

Which alternative is recommended? Why?

The first alternative provides for the most efficient use of City resources, and insures the best value for purchasing the quantity and variety of tires needed by the City.

CONFORMITY TO CITY POLICY:

The City of Killeen is a member of several purchasing cooperatives that are in compliance with the Texas Local Government Code section 271.102. Purchases made through the TASB BuyBoard and TIPS cooperatives satisfy competitive bid requirements.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The annual amount of expenditure through the effective 2021 contract date is estimated to be \$200,000 per year.

Is this a one-time or recurring expenditure?

This is a recurring expense.

Is this expenditure budgeted?

Yes, these expenditures are budgeted annually by the departments requiring the tires.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes. Funds are budgeted in each department's repair and maintenance account.

RECOMMENDATION:

Staff recommends City Council approval to purchase tires from Southern Tire Mart through the effective contract dates utilizing the Texas Association of School Boards BuyBoard and The Interlocal Purchasing System cooperative pricing, and that the City Manager or designee be expressly authorized to execute any and all change orders as permitted by state and local law.

DEPARTMENTAL CLEARANCES:

Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Cost and Quantity
Contract Amendment
Certificate of Interested Parties