



STAFF REPORT

DATE: October 2, 2018
TO: Ronald L. Olson, City Manager
FROM: Jonathan Locke, Executive Director of Finance
SUBJECT: Authorize award of Bid No. 19-01 for Fleet Tire Services

BACKGROUND AND FINDINGS:

The City's fleet tire services contract was advertised for bid in August 2018. This service is primarily associated with heavy trucks and off-road equipment on an as-needed basis and includes delivery, removal/installation, balancing, repair, rotating, evaluation, retreading, and disposal. During the three preceding fiscal years, FY2016, FY2017 and FY 2018, the cost of tire services has been \$296,000, \$290,000, and \$270,000 (estimated), respectively.

On September 7, 2018, at 2:15 PM, bids from two vendors were opened and read aloud for the City's tire services. After careful review of the bids, one of the bids was deemed incomplete for failure to acknowledge the service call requirements. This vendor also lacks experience providing the required services to a municipality. The other bid, from Colliver Tire Service, is the recommended vendor for bid award. There are several items that were considered in making this recommendation. 1.) Colliver Tire Service (CTS) has proven exemplary performance with the City since 2005. 2.) CTS is geographically located in closer proximity to the City's tire supplier in Waco, TX which saves time and prevents "back tracking" when a new tire is required for a stranded vehicle. 3.) CTS has a service truck within the Killeen city limits for after-hours service calls to insure prompt response. 4.) CTS provides periodic on-call service to the cities of Copperas Cove and Valley Mills. Although the CTS bid is an estimated 4.5% or \$11,800 higher annually, the aforementioned considerations make Colliver Tire Service's bid the best value to the City.

The contract awarded under this bid would be for a term of one (1) year, with the option to renew for three (3) additional one (1) year periods.

THE ALTERNATIVES CONSIDERED:

1. Award the bid as recommended; or
2. Reject all bids and rebid tire services.

Which alternative is recommended? Why?

The first alternative is recommended as it provides the best value for the City of Killeen.

CONFORMITY TO CITY POLICY:

An invitation to bid for the procurement of tire services was advertised in compliance with the Texas Local Government Code chapter 252, and the City's purchasing policy.

FINANCIAL IMPACT:

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

The total amount of expenditures in FY 2019 should be similar to the \$270,000 estimated in FY 2018. Tire services for the City's fleet are an ongoing annual expense. Future expenditures should be comparable.

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 services.

If not, where will the money come from?

N/A

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

Yes. The repair and maintenance accounts of the divisions that utilize tire services have sufficient funding. There is not a separate account for tire services within each division; tire services are just one expense within each division's overall repair and maintenance account.

RECOMMENDATION:

Staff recommends that City Council award the tire services agreement to Colliver Tire Service, and that the City Manager or designee be authorized to execute the agreement and any change orders as permitted by state and local law.

DEPARTMENTAL CLEARANCES:

Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Bid Tabulation
Certificate of Interested Parties