



Item #13

DATE May 3, 2017

TO GCTD Board of Directors
FROM Tanya Hawk, Buyer

SUBJECT Consider Authorizing Award of Contract to Parkhouse Tires Inc. for Tires and Tire Maintenance.

I. EXECUTIVE SUMMARY

An Invitation for Bid was issued on January 23, 2017 through the use of the Public Purchase website to provide Gold Coast Transit District (GCTD) with Tires and Tire Maintenance for a two-year base period and one (1) one-year option period. It is an indefinite quantity contract that will provide new and recap tires and tire maintenance services for GCTD's fleet of buses on an as-needed basis throughout the term of the contract on a firm fixed price basis, with a price escalation provision for the option year.

The lowest new tire price was submitted by Parkhouse. However, they proposed an "or equal" brand, the Continental HA 3 tire. As stated in the IFB, it is at the discretion of GCTD to accept substitutions. After GCTD's Maintenance Department tested the proposed tire, it was found to be acceptable for use on GCTD's buses.

Parkhouse Tire's price for recap tires was also the lowest. GCTD's Maintenance Department reviewed the two (2) types of recap treads and they were found to be acceptable.

Based on adequate competition, and GCTD's acceptance of the Continental HA 3 tire, the submitted bid prices from Parkhouse Tires for both the new and recap tires, are considered fair and reasonable. In addition, a responsibility determination was conducted, which resulted in determining that Parkhouse Tires is a responsive and responsible contractor capable of meeting GCTD's requirements.

IT IS RECOMMENDED that the Board of Directors authorize a contract award to Parkhouse Tires Inc. for Tire and Tire Maintenance Services (Recap and New) for a two-year base period with a one year option for an estimated amount of \$548,472.55 plus authorize an additional 10% to cover any additional product or service that may be need during the transition into the new facility during the course of the contract.

GOLD COAST TRANSIT DISTRICT

II. BACKGROUND

GCTD requires a contractor to provide new and recap tires, on an as-needed basis, for our fleet of transit buses. Services (maintenance) such as dismounting, mounting, balancing, disposal, tire storage, branding, repairs and emergency road services are also required.

In addition, GCTD has spare tires, rims, and accessories pertaining to its buses which shall be maintained and inventoried by the contractor. We require quarterly usage reports from the Contractor so GCTD can keep stock levels of spare tires with an accurate inventory.

GCTD operates 56 buses with two different transit bus tire sizes, 305 70R22.5 or 315 80R22.5. GCTD replaces tires one or two times a year depending on wear. A tire is replaced once the minimum tread depth of 16/32" is not met. GCTD uses approximately 425 recap tires per year and 200 new tires per year.

With the expiration of the current contract for Tires and Tire Maintenance, GCTD is required to go out to bid to ensure continued fair and reasonable pricing. The current contract expired in December 2016. The current contractor, Daniels Tire, agreed to honor their pricing on a month to month basis pending award of this IFB.

An Invitation for Bid was issued in January 2017 to provide (GCTD) with new and recap tires for a two-year base period and one (1) one-year option period.

On February 7, 2017, GCTD held a non-mandatory pre-bid meeting. During the meeting, Daniels Tire's representative stated they had an issue with firm fixed price for the entire two year base period. They suggested six (6) months. GCTD staff decided that they would allow bidders to choose to submit firm fixed pricing for the initial two year base period and/or for an optional one year period. An addendum was issued to reflect submission of the optional pricing. It was determined that allowing this optional pricing would be advantageous to GCTD during price analysis of the proposed rates.

A public bid opening was held on February 23, 2017 at 3:00 pm. There were two (2) bids submitted; one from Daniels Tires and one from Parkhouse Tires Inc. Each had a representative in attendance. Bids were opened, read and documented by Tanya Hawk, Buyer. Parkhouse submitted firm fixed pricing for the two year period. Daniels offered firm fixed pricing for a one year period but stated they could not guarantee the one year firm fixed price. At this point, their bid is considered non-responsive, however, for purposes of price analysis, their bid prices will be used.

A price analysis was conducted on Parkhouse using the proposed pricing from both contractors. The total contract pricing is summarized as follows:

	New	Recap	TOTAL
Parkhouse	\$187,303.70	\$166,550.00	\$353,853.70
Daniels (one year)	\$116,725.00	\$94,951.75	\$211,676.75

Since Daniels' pricing was for only one year, Staff calculated an additional year using their one year pricing, also included is the unit pricing for the top two line items (new and recap tires), the results are as follows:

	New	Unit Price	Recap	Unit Price	TOTAL
Parkhouse	\$187,303.70	\$449.37	\$166,550.00	\$138.00	\$353,853.70
Daniels (two year)	\$233,450.00	\$575.00	\$189,903.50	\$164.36	\$423,353.50
Daniels (current)		\$591.00		\$130.46	

The Daniels pricing used for the analysis does not include any price escalation for the second year, which would obviously increase their overall price. Parkhouse would not have any price escalation as their proposal was submitted with firm fixed pricing for two years. Parkhouse's pricing is 16% less than Daniels proposed pricing when calculated for the two years stated in the initial IFB. Based on the above information, it is determined that issuing a two year contract to Parkhouse is more advantageous (less costly) than issuing a one year contract to Daniels.

In comparing proposed unit price on the two most used line items (new tires and recaps), Parkhouse is lowest in both the new and recap tire; they are considerably less than Daniel's current contract price on the new tires and only 5% more than Daniels current price for recap tires. As a result of this analysis, Parkhouse Tires proposed pricing is determined to be fair and reasonable based on historical data and adequate competition.

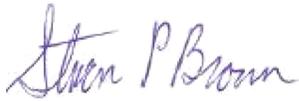
Staff will ensure proposed pricing for the option year is fair and reasonable prior to exercising the option. If it is not, a new solicitation will be issued to seek competition.

A responsibility determination was conducted on Parkhouse Tires. Staff confirmed that Parkhouse was not listed in the System for Award Management (SAM) nor were there any complaints filed with the Better Business Bureau (BBB). Client references provided by Parkhouse were contacted and provided no negative comments. As a result, Parkhouse Tires Inc. was determined to be a responsive, responsible contractor capable of meeting the requirements.

III. SUMMARY & RECOMMENDED ACTION

IT IS RECOMMENDED that the Board of Directors authorize a contract award to Parkhouse Tires Inc. for Tire and Tire Maintenance Services (Recap and New) for a two-year base period with a one year option for an estimated amount of \$548,472.55 plus authorize an additional 10% to cover any additional product or service that may be need during the transition into the new facility during the course of the contract.

Concurrence:



Steven P. Brown
General Manager