

Meeting Date (?) 08/16/2016

Subject Matter * (?) Approval of Blanket Purchase Orders with Multiple Vendors for Tire Purchases
This must match rolling agenda entry

Department of Origin * FLEET SERVICES

Submitted By * Bobby Walker

Type of Meeting * BCD Special Regular

Classification * Public Hearing Consent Statutory Regular

Ordinance * None First Read Second Read First & Only Read

Strategic Initiative * Public Safety Service
 Economic Development Infrastructure
 Quality of Life

Agenda Item Description * Consider approval of four (4) blanket purchase orders (BPOs) with local vendors (in Bryan and College Station) for the purchase of new tires in a not to exceed amount of \$180,000.00.

Summary Statement *

Fleet Services respectfully requests the City Council approve authorizing the Purchasing Department to issue blanket purchase orders (BPOs) with four (4) local vendors (in Bryan and College Station) for the purchase of new tires. Staff continuously reviews all options to encourage local participation in the bid process and in an effort to obtain the best value for the City.

After a recent review, utilizing existing cooperative purchasing contracts was determined to be the best suitable course of action to purchase new tires for City vehicles and equipment. When necessary, tire purchases will be made through the State of Texas Multiple Award Schedule (TXMAS), the BuyBoard (which is administered by the Texas Association of School Boards and is endorsed by the Texas Municipal League and the Texas Association of Counties), and The Cooperative Purchasing Network (TCPN). Each of the cooperatives is carefully and competitively bid and awarded individual contracts.

Using the above listed purchasing contracts results in local vendors being available to the City. Staff continuously reviews contract pricing from the four vendors listed below for the different tire sizes most frequently used in the fleet operations by the various departments. The lowest unit price is selected by each vendor to maximize savings. Based on this analysis and historical purchases, City staff anticipates spending approximately \$150,000; however, the request amount of \$180,000 provides some flexibility should the City experience an atypical year. This amount does not include tires needed with less frequency, i.e. backhoes, tractors, excavator tracks, etc.

If the City Council approves this agenda item, Blanket Purchase Orders (BPOs) will be issued to the following vendors in the stated amounts:

- Southern Tire Mart (Bryan, TX): \$75,000.00
- Goodyear Truck and Tire Center (Bryan, TX): \$75,000.00
- Pilger's Tire & Auto Center (College Station, TX): \$15,000.00
- GCR Tires & Service (Bryan, TX): \$15,000.00

Historical expenditures for tires are as follows:

- FY2011 - \$148,500
- FY2012 - \$140,000
- FY2013 - \$133,000
- FY2014 - \$158,500
- FY2015 - \$144,500
- FY2016 - \$104,000 (to date)

These contracts do not include tire repair or roadside service. About three years ago, tire repair and roadside service was bid separately with Goodyear Truck and Tire Center being awarded the contract. The tire repair and roadside service contract was awarded in a not to exceed amount of \$18,750. This specific contract was recently extended based on the same pricing as received one year ago.

Staff Analysis & Recommendation *

Having multiple contracts allows the City to select the best tire price from local vendors (in Bryan and College Station) to achieve the best value for the City. Multiple contracts require staff to coordinate the receipt of tires to the tire service vendor. These contracts will expend public funds budgeted by the departments annually for vehicle maintenance.

Staff recommends the City Council approve the contracts for the listed vendors. By having multiple vendors available to provide tires, the City can pick the best value for the tire size and type required. Staff continuously evaluates the bid prices for each vendor as contracts expire, are renewed, or replaced by new contracts. Staff believes the amounts listed above for each vendor will meet the City's needs. The requested amounts for each vendor may change as dictated by changing contracts, but the overall aggregate requested amount should remain not greater than \$180,000.00.

Options *

(In Suggested Order of Staff Preference)

1. Approve the Blanket Purchase Orders (BPOs) as requested for each vendor.
2. Solicit formal bids and award a contract to a single vendor.
3. Do not approve and provide direction to staff.
4. Pursue some other option.

Funding Source *

Department operating budgets as budgeted (General Fund and Enterprise Funds)

Attachments

Please detail attachments and note attachments available for viewing in City Secretary's Office:
N/A

Dept. Head Signature

JAYSON E. BARFNECHT 07/28/16

**Deputy City Manager
Signature**

Hugh R. Walker

City Manager Signature

[Handwritten Signature]

City Attorney Signature

Janis K. Hampton