



# Agenda Report

July 13, 2015

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Public Works  
**SUBJECT: AUTHORIZE ISSUANCE OF THREE ONE-YEAR PURCHASE ORDERS WITH PARKHOUSE TIRE, INC. FOR THE PURCHASE OF TIRES, TUBES, AND RELATED ITEMS IN A NOT-TO-EXCEED AMOUNT OF \$300,000 ANNUALLY**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment;
2. Grant an exemption for this contract pursuant to PMC 4.08.049(B) where the best interests of the City are served by a direct award of a contract without competitive selection process. This contract is exempt from competitive bidding pursuant to the City Charter 1002 (H), contracts with other governmental entities or their contractors for labor, material, supplies or services; and
3. Authorize the issuance of three, one-year purchase orders with Parkhouse Tire, Inc., in an amount not to exceed \$300,000 annually for a total of \$900,000 over a three-year period, with an option for two additional, one-year purchase orders, at the discretion of the City Manager, for a maximum total contract length of five years, for the purchase of tires, tubes, and related items.

## **BACKGROUND:**

The City of Burbank issued a request for quotations for tires, tubes, and related items in August 2014. The lowest responsible bidder was Parkhouse Tire Inc. (Parkhouse). The City of Burbank issued a purchase order to Parkhouse for the period September 2014 to

August 2015, with the option of renewing the price agreement on a yearly basis for a maximum of three (3) years.

Parkhouse has agreed to extend the purchase prices, terms, and conditions between the City of Burbank and Parkhouse to the City of Pasadena. Parkhouse further agrees to the City of Pasadena's purchase order terms and conditions.

The Department of Public Works, Building Systems and Fleet Management Division spends approximately \$275,000 annually on tires, tubes, and related items. Parkhouse, in the City of Bellflower, has supplied tires, tubes, and related items to the City of Pasadena for approximately 20 years. Based on existing costs as well as anticipated price increases in the next three fiscal years, staff recommends authorization for three, one-year purchase orders with Parkhouse Tire, Inc. in an amount not to exceed \$300,000 annually for a total of \$900,000.

**COUNCIL POLICY CONSIDERATION:**

This purchase supports the City Council's strategic goal to maintain fiscal responsibility and stability.

**ENVIRONMENTAL IMPACT:**

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b) (3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

**FISCAL IMPACT:**

The total cost of this action is \$900,000. Funding will be addressed by the utilization of existing budgeted appropriations from Fleet Maintenance Fund (budget account 810100-503-22058). It is anticipated that \$300,000 will be spent annually in fiscal years 2016, 2017, and 2018. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



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Approved by:



MICHAEL J. BECK  
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