



Agenda Report

December 17, 2018

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: **AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACT WITH PARKHOUSE TIRE SERVICE, INC. TO PROVIDE TIRES, TUBES, AND ACCESSORIES FOR AN AMOUNT NOT-TO-EXCEED \$350,000**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from 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; and
2. Authorize the issuance of a purchase order contract with Parkhouse Tire Service, Inc. for an amount not-to-exceed \$350,000 over a one-year period with the option for three additional one-year terms in the annual amount of \$350,000 at the discretion of the City Manager, for a maximum total purchase order contract amount of \$1,400,000. Competitive Bidding is not required pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors for labor, materials, supplies or services; and
3. Grant the proposed purchase order contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

The Department of Public Works repairs and maintains over 1,100 City vehicles and equipment. In order to keep the City's fleet running smoothly with minimal down time, the Department routinely purchases and stocks over 80 types of tires to meet the needs of City vehicles.

The City of Pasadena's fleet is very similar to the City of Burbank's fleet, and with both cities' tire contracts up for renewal, Public Works staff collaborated with Burbank on a joint-procurement to capitalize on the cities' combined purchasing power. The City of

Burbank acted as lead agency on the procurement and undertook a competitive bid process similar to that of Pasadena. City of Pasadena staff provided Burbank staff with Pasadena's tire needs. On August 24, 2018, the City of Burbank issued a Notice Inviting Bids for the purchase of tires, tubes, and accessories.

Two vendors submitted a bid by the bid closing date of September 14, 2018. The bid results are as follows:

Bidder		Amount
1. Parkhouse Tire Service, Inc.	Bell Gardens, CA	\$17,804
2. Daniels Tire Service	Santa Fe Springs, CA	\$18,418

Prospective bidders were asked to bid on a collection of tires most commonly purchased and stocked by the Cities of Burbank and Pasadena. This collection of tires was assembled for bid comparison purposes, but does not represent the entirety of what is purchased each year. City of Pasadena staff reviewed the bid submissions and found Parkhouse Tire Service, Inc. (Parkhouse) to be the lowest responsive and responsible bidder. The City has done business with Parkhouse in the past, issuing purchase orders totaling over \$1.4 million since fiscal year 2000 for tires, parts, and repair service.

City of Pasadena staff conducted outreach to various Pasadena tire vendors to invite them to bid on the City's proposal. Every local tire vendor contacted indicated that they could not fulfill the terms of the contract due to various reasons, which included difficulty guaranteeing availability of the required tires and inability to provide delivery services.

Based on prior years' actual expenditures for tires, tubes, and accessories, staff estimates it will need an annual purchase order contract authorization of \$350,000. The Department of Public Works recommends that the City Council authorize a purchase order contract with Parkhouse for the purchase of tires, tubes and accessories for a one-year period in an amount not-to-exceed \$350,000. As proposed, the contract may be extended for three additional one-year terms not-to-exceed \$350,000 annually, subject to the approval of the City Manager and without further City Council approval.

COUNCIL POLICY CONSIDERATION:

Approval of this contract supports the City Council's goals of maintaining fiscal responsibility and stability and ensuring public safety.

ENVIRONMENTAL IMPACT:

This purchase complies with all South Coast Air Quality Management District rules and regulations.

FISCAL IMPACT:

The total cost of this action is \$350,000. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance operating budget account 51122058-810100.

Respectfully submitted,



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Director of Public Works

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Approved by:



STEVE MERMELL
City Manager