

AGENDA



Thursday, January 17, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 17**

Subject: Authorize award and execution of a 45-month requirements supply contract through the State of Texas, Texas Multiple Award Schedule (TXMAS) with TCI TIRE CENTERS, LLC, Austin, TX, for the supply of retread tires for Fleet Services in an estimated amount not to exceed \$3,966,930.

Amount and Source of Funding: Funding in the amount of \$793,386 is available in the Fiscal Year 2007–2008 Operating Budget of the Financial and Administrative Services Department, Fleet Services Fund. Funding for the remaining 36 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no anticipated fiscal impact. A fiscal note is not required.

For More Information: Mary Quintero-Herrera, Senior Buyer (512-974-3266)

Purchasing Language: Cooperative Purchase.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). This contract is a Cooperative Purchase; therefore, it is exempted under Chapter 791 of the Texas Government Code and no goals were established for this solicitation.

This contract establishes a reliable source for the annual supply of retread tires for Fleet Services in lieu of purchasing new tires used primarily for the City's fleet of refuse collection vehicles on the rear axles, but could include small quantities for other trucks, trailers and off-road equipment.

A retread tire is a recycled product formed by a service process of bonding new rubber to the crown or tread portion of a used city-owned casing (hull). The cost for a recycled tire is approximately 50% of that for a new tire of the same size and tread design, and provides approximately the same length of service when used on the rear axles.

The City purchased approximately 7,650 retread tires in the past year, saving approximately \$500,000 by purchasing retread tires instead of new tires for the applications described. The retread tires are produced in accordance with all industry standards and Federal guidelines that regulate the production of this type product. For safety reasons, only new tires are used on front axle steering applications. All new tires are provided under a separate contract.

TCI is contracted through TXMAS to provide these products to public entities state-wide. This cooperative purchasing program established by State of Texas, Comptroller of Public Accounts allows the City to use TXMAS contracts that have been developed from contracts that were competitively bid and awarded by the General Services Administration's Federal Supply Service.

The TXMAS contract term is from December 19, 2006 to December 5, 2011.