

Council Communication

September 16, 2014, Business Meeting

Procurement for Tires and Related Services

FROM

Mike Morrison, public works superintendent, mike.morrison@ashland.or.us

Stu Wilkie, maintenance safety supervisor, stu.wilkie@ashland.or.us

SUMMARY

The Fleet Department is requesting approval to continue piggybacking on a State of Oregon Price Agreement with Les Schwab for tires and related services. The current Price Agreement #1549 with Les Schwab is valid until January 22, 2022. The cost for tires and related services is approximately \$50,000 per fiscal year for the City and Park fleets combined. In order to continue piggybacking on this contract, the Council needs to give the Fleet Division authority to continue procuring tires and related services from this price agreement until it expires, because the overall cost of tires and related services combined until 2022 will exceed the department's authority of \$100,000.

BACKGROUND AND POLICY IMPLICATIONS:

The City's Fleet Division has purchased tires and related services for both the City's fleet and Park's fleet using the State of Oregon Price Agreement with Les Schwab for a number of years. The cost for new tires can range from \$600 to \$1,400 for cars and light trucks to approximately \$9,000 to replace all four industrial tires on a front loader. For safety reasons, emergency vehicles and some Public Works vehicles require two sets of tires; one set for winter driving and one set for summer driving. Les Schwab also provides mobile tire repair services, which is very advantageous to the City. For example, Les Schwab will go out to the job site, remove an industrial size tire from a front loader and take it back to their facility to repair it and then return to the job site and install the repaired tire on the vehicle. This service saves the City time, labor and money.

The City pays an annual membership fee to be a member of Oregon Cooperative Purchasing Program, which allows the City to piggy-back on price agreements established by the State of Oregon. Price agreements are awarded through a competitive process and are established to provide additional savings by combining the purchasing power of numerous agencies.

AMC Section 2.50.070 Public Contracting Officer Authority.

- A. Except as otherwise provided by this code, the Public Contracting Officer shall have authority to:
1. Purchase and contract for all materials, supplies, equipment, services and public improvements for which funds have been appropriated by the City Council and the contract price does not exceed \$100,000;

AMC Section 2.50.090 Exemptions from Formal Competitive Selection Procedures



All Public Contracts shall be based upon Competitive Sealed Bidding (Invitation to Bid) or Competitive Sealed Proposals (Request for Proposal) pursuant to ORS 279A – 279C and the Model Rules except for the following:

- I. The following classes of contracts are hereby specifically exempted from the Oregon Public Contracting Code and Model Rules pursuant to ORS 279A.025(t):
 1. Contracts for the purchase of materials where competitive bids for the same materials have been obtained by other public agencies or the federal government whose processes for bid and award are substantially equivalent to those set forth herein, and the contract is to be awarded to the party to whom the original contract was awarded as long as no material change is made to the terms, conditions, or prices of the original contract.

FISCAL IMPLICATIONS:

The cost for tires and related services for the entire fleet of City and Parks vehicles is approximately \$50,000 per fiscal year and funds are budgeted each fiscal year.

STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff recommends Council give the Fleet Division authority to continue procuring tires and related services from this price agreement until it expires.

SUGGESTED MOTION:

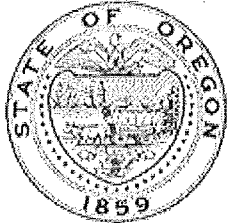
I move that the Council, acting as the Local Contract Review Board, authorize the Fleet Division to continue procuring tires and related services as required through the Oregon Cooperative Purchasing Program price agreement until it expires.

ATTACHMENTS:

State of Oregon, Price Agreement #1549



Award Summary
Price Agreement
Tire Sales and Services (Shocks, Alignment, etc)
 (Prod)



Supplier Address

Les Schwab Warehouse Center, Inc.
 PO Box 5350
 20900 Cooley Road
 Bend, Oregon
 97708

Contact: Scott Robbins
Phone: 1 (541) 447-4136
Fax: 1 (541) 416-5490
Email: Scott.m.robbins@lesschwab.com

Contract # 1549 Amendment # 3 Revision Date 01/03/2014
Opportunity # 102-1901-11 Contract Start Date 01/03/2012 Expiration Date 01/05/2022 Supplier Number 1394

All dates are mm/dd/yyyy

- Attachments Exist
- Amendment/Revision Comments Exist
- Secondary Suppliers Do Not Exist

User Comments Do Not Exist

Contract Administrator

State Procurement Office
 1225 Ferry Street SE, U140
 Salem, Oregon
 97301-4285

Receiving Address

See purchase order

Contract Filed At

DAS SPO

Contact: David Reynolds
Phone: 1 (503) 378-4643
Fax: 1 (503) 373-1626
Email: david.reynolds@das.state.or.us

Delivery Requirements			
As defined in Purchase Order			
Payment Terms			
Net 30			
FOB			
FOB Destination, Freight Allowed			
Item #	Quantity / Unit	Description	Unit Cost
1	1	Commodity No. 998-93	\$0

EACH Tires Tubes and related service		
Mandatory or Convenience Convenience	Renewal Option	Current Amendment Value \$0
Minimum Order See Price Agreement		Previous Contract Value \$20,000,000
Return Policy See Price Agreement		Current Amended Value \$20,000,000
Warranty See Price Agreement		
Best Value Analysis		
Freight / Surcharge		

Control # 1604374

**AMENDMENT #3 to
PRICE AGREEMENT# 1549**

I. This is Amendment No. 2 to Price Agreement #1549 (as amended from time to time, the "Price Agreement") dated May 3, 2011 between the State of Oregon, acting by and through its Department of Administrative Services, Procurement Services, hereafter called "DAS PS" or "State" and Les Schwab Warehouse Center, Inc. dba Les Schwab Tire Centers, hereafter called "Contractor". This Amendment is effective on the date it has been signed by every party and approved in accordance with applicable law.

The purpose of this Amendment is to extend the Price Agreement for time allowed for within Price Agreement #1549 section 2.3.

II. The Price Agreement is hereby amended as follows (extends for time):

a. The current term ending, January 3, 2014 is hereby extended to January 5, 2022.

III. Except as expressly amended above, all other terms and conditions of the Price Agreement are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the Price Agreement are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of execution of the Price Agreement.

Certification: By signature on this Contract for Contractor, the undersigned hereby certifies under penalty of perjury that the undersigned is authorized to act on behalf of Contractor and that Contractor is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 320.005 to 320.150 (Amusement Device Taxes), 403.200 to 403.250 (Tax For Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 321 (Timber and Forest Land Taxation) and 323 (Cigarettes And Tobacco Products) and the elderly rental assistance program under ORS 310.630 to 310.706 and any local taxes administered by the Department of Revenue under ORS 305.620.

CONTRACTOR: LES SCHWAB WAREHOUSE CENTER, INC. DBA LES SCHWAB TIRE CENTERS

By: Scott Dal Manager, Fleet Tire Systems 1/2/2014
Name: Title: Date

DEPARTMENT OF ADMINISTRATIVE SERVICES, PROCUREMENT SERVICES:

Approved By: SPA 1/3/2014
Name: Title: Date

APPROVED AS TO LEGAL SUFFICIENCY

Approved By: Not applicable pursuant to OAR 137-045-0050