



City of Richmond

Report to Committee

To: Public Works and Transportation Committee
From: Suzanne Bycraft
Manager, Fleet & Environmental Programs

Date: December 3, 2019
File: 02-0780-01/CL Vol. 02

Jim Wishlove
Deputy Fire Chief

Re: Award of Contract 6153P - Supply and Delivery of Vehicle and Equipment Tires and Certified Tire Services

Staff Recommendation

That Contract 6153P, Supply and Delivery of Vehicle and Equipment Tires and Certified Tire Services, be awarded at the rates quoted for up to a maximum four year term, as per the key terms outlined in the staff report titled "Award of Contract 6153P – Supply and Delivery of Vehicle and Equipment Tires and Certified Tire Services" dated December 3, 2019 and as follows:

- a) Kal Tire for the supply of tires and tire services for Richmond Fire Rescue up to a maximum of \$115,000; and
- b) Fountain Tire for the supply of tires and tire services for Fleet Operations up to a maximum of \$960,000.

Manager, Fleet & Environmental Programs
(604-233-3338)

Jim Wishlove
Deputy Fire Chief
(604-303-2715)

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The City contracts for the provision of tires and tire related services (repair flat tires, various tire repairs) to support vehicle needs in Richmond Fire Rescue and Fleet Operations. The annual value of these services is approximately \$275,000.

This report presents the results of the submissions received to a competitive tendering process and recommends the contract be awarded based on best value and in the manner that best meets the respective business unit's needs.

This report supports Council's Strategic Plan 2018-2022 Strategy #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

1.2 Future-proof and maintain city infrastructure to keep the community safe.

Analysis

Tendering Process

RFP 6153P, Supply and Delivery of Vehicle and Equipment Tires and Certified Tire Service, was issued to the marketplace. Responses were received from two vendors – Kal Tire and Fountain Tire as follows. The estimated value is shown by each business unit.

Table 1: Responses

Company	Richmond Fire Rescue Annual Contract Value	Fleet Operations Annual Contract Value
Kal Tire	\$ 23,826.62	\$263,455.68
Fountain Tire	\$ 25,725.52	\$200,213.57

Review Process

Operations staff from Richmond Fire Rescue and Fleet Operations undertook independent reviews of the proposal responses. Richmond Fire Rescue rated Kal Tire as the highest ranking respondent due to tire quality demands for emergency response units, as well as product response turnaround capability of Kal Tire (a critical consideration for Richmond Fire Rescue due to the nature of their operations). The response from Kal Tire also represents best value for Richmond Fire Rescue.

Fleet Operations staff rated Fountain Tire as the lowest cost responsive and responsible bidder. It is therefore recommended that the proposal award be to Kal Tire for Richmond Fire Rescue and Fountain Tire for Fleet Operations.

Contract Term

The initial term of both contracts is two years, with two additional two-year terms and an additional one-year term, for a total available term of up to seven years.

- The contract pricing for the provision of tires and tire related services as submitted by Kal Tire remains fixed for the initial two-year term.
- The contract pricing for the provision of tires only as submitted by Fountain Tire is fixed for an initial twelve-month term.
- The contract pricing for tire related services as submitted by Fountain Tire remains fixed for the initial two-year term.
- Pricing adjustments beyond the initial terms were not provided by either respondent due to the cyclical nature of fuel pricing, which is the key inflationary factor in the tire manufacturing process. As such, staff will review inflationary adjustments to ensure alignment with appropriate consumer price indices.

A four-year term is recommended for this contract.

Financial Analysis

The cost of services over the recommended term is outlined below. Costs are shown by business unit based on an estimated annual amount, plus a general contingency for unforeseen items (adjusted to produce round numbers), with an estimated annual amount shown, finally showing the estimated total over the recommended four-year term.

Table 2: Richmond Fire Rescue Pricing - Recommended Award to Kal Tire

Services	Annual Cost	Contingency (~20%)	Annual	4-Year Term Total
Tire Services	\$ 2,698.07			
Tire Purchases	\$21,128.55			
Total	\$23,826.62	\$4,923.38	\$28,750	\$115,000

Table 3: Fleet Operations Pricing - Recommended Award to Fountain Tire

Services	Annual Cost	Contingency (~20%)	Annual	4-Year Term Total
Tire Services	\$ 61,641.50			
Tire Purchases	\$138,572.07			
Total	\$200,213.57	\$39,786.43	\$240,000	\$960,000

Financial Impact


The total estimated annual amount for Richmond Fire Rescue is \$28,750 or \$115,000 over the four year term recommended. The total estimated amount for Fleet Operations is \$240,000 or \$960,000 over the four year term recommended.

Funding is provided in each respective business unit’s annual operating budget allocations.

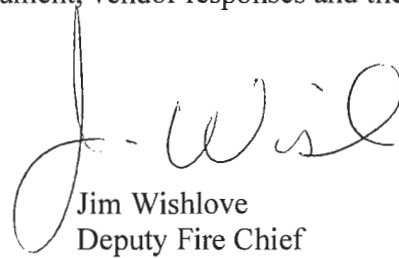
Conclusion

This report presents the results of a competitive tendering process under 6153P - Supply and Delivery of Vehicle and Equipment Tires and Certified Tire Services to support Richmond Fire Rescue and Fleet Operations requirements. It is recommended to award services for Richmond Fire Rescue to the lowest responsive and responsible bidder (Kal Tire) to meet quality and service demands for fire vehicle apparatus. It is recommended to award the provision of tires and tire related services to the lowest responsive and responsible bidder (Fountain Tire) for Fleet Operations vehicle related requirements.

The form of contract will incorporate the City's proposal document, vendor responses and the City-issued purchase order to each respective vendor.



Suzanne Bycraft
Manager, Fleet and Environmental Programs
(604-233-3338)



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Deputy Fire Chief

SJB: