



RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

November 17, 2005

TO: BOARD OF DIRECTORS
THRU: Larry Rubio, Chief Executive Officer 
FROM: Vince Rouzaud, Director of Purchasing and Materials Management 
SUBJECT: Authorization to Award a Contract to Bridgestone/Firestone for Tire Leasing Services

Summary: Staff is requesting authorization to award a contract to Bridgestone/Firestone to supply leased tires for the Agency's fleet of 40' transit buses. Currently, the Agency has a tire lease agreement with Bridgestone/Firestone that is set to expire December 31, 2005. Tire leasing is a common practice in the transit industry and is more economical than purchasing tires outright. Most major North American transit properties lease tires for their revenue transit fleets.

The total contract amount will be based on the actual number of miles accrued during the life of the contract multiplied by the lease mileage rate in effect. The contract will be for a three-year base period with two one-year options. The estimated total number of miles over the entire five-year period is 148,231,518 and the contract to be awarded will be for a not-to-exceed dollar amount with no guaranteed usage.

On September 2, 2005, Invitation for Bids (IFB) 05-016 was mailed to six (6) prospective vendors. In addition, a public notice of the IFB was published in a local newspaper of general circulation. The IFB requested prospective vendors provide fixed per-mile pricing based on Agency estimates of total miles over a five-year contract period.

Two responsive and responsible bids were received by the following firms with Michelin North America formally submitting a "No Bid":

- Bridgestone/Firestone \$1,131,389.25
- Goodyear Tire & Rubber \$1,331,326.47

A yearly breakdown of the pricing is as follows:

Vendor	Base Period (First 3 Yrs)	Option Yr. 1	Option Yr. 2	Total
Bridgestone/ Firestone	\$659,935.39	\$231,818.47	\$239,635.39	\$1,131,389.25
Goodyear	\$766,002.76	\$274,432.48	\$290,891.23	\$1,331,326.47

Based on total mileage for the five-year period of 148,231,518, the contract shall not exceed \$1,131,389.25. This contract award is consistent with the Agency's technical specifications and general terms and conditions.

Fiscal Impact:

Funding for this procurement will be provided by a combination of Federal Transit Administration (FTA) capital grant assistance and operating funds. This item was included in the FY 2005/2006 operating budget previously approved by the Board. Funding for future years will be requested in future year budgets.

Committee Recommendation:

This item was discussed at the Board Budget and Finance Committee meeting of November 9th. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration.

Recommendation:

Authorize staff to award a contract to Bridgestone/Firestone to provide tire-leasing services for a three-year base period with two one-year options in an amount that shall not exceed \$1,131,389.25.