

EXECUTIVE SUMMARY

Recommendation for Additional Spending Authority 15-062R – New Tires

Invitation to Bid (ITB) 15-062R – New Tires was awarded at the School Board meeting on December 9, 2014. The original contract award was a three (3) year contract for \$2,600,000 from December 10, 2014 through December 31, 2017. There are three (3) vendors awarded under this ITB, Boulevard Tire Center, Dan Callaghan Enterprises, and Tiresoles of Broward, Inc.

The Student Transportation & Fleet Services Department is requesting additional spending authority on the contract award for ITB 15-062 R – New Tires. The additional spending authority of \$374,000 is requested for the purchase of new tires for the District's fleet inventory that includes over 1200 school buses, 825 trucks, over 150 utility trailers (including tractor trailer sized tires), and miscellaneous off-road equipment vehicles.

Some of the reasons for the additional spend authority request are attributed to:

- Larger wheelchair buses have a specification for an uncommon size (295/60/R22.5). The District acquired forty-six (46) of these specialty buses during the term of this ITB. These tires cost \$201,436 which was not anticipated at the onset of the ITB. Prior to the inclusion of these units, the use of standard tires would have cost \$103,480 representing an unanticipated increase of \$97,956.
- Physical Plant Operations spending attributes to \$19,074 that was not anticipated in the originally requested spending authority.

Effects as a result of purchasing new tires opposed to recapped tires:

- Reduction of labor charges for tire changes from \$81,354 to \$69,717 annually
- Amount of buses serviced for tires reduced from 234 per month to 148 per month
- Road Call tickets went down from eighty (80) per year to fifty-two (52) per year
- Sale of Virgin Casing tires = \$28,495 back to the District

Financial Impact

This estimated financial impact to the District will be \$374,000. This request to increase the spending authority by \$374,000 will bring the new contract value to \$2,974,000. The funding source will come from the Student Transportation & Fleet Services department's budget.

Contract Spend Analysis

\$ 2,600,000	Total contract award
<u>-\$ 2,529,972</u>	Total spend
\$ 70,028	Unused spend per Financial Analysis Worksheet

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Additional Spending Authority Request Analysis

\$ 82,000	Average monthly spend
x 5	Number of months
\$ 410,000	
-\$ 70,028	Less unused spend
\$ 339,972	
\$ 33,997	Plus ten (10) percent to address unexpected need
\$ 373,969	Additional spending authority request (rounded to \$ 374,000)
\$ 2,600,000	Total contract award
\$ 2,974,000	New contract award amount

Procurement & Warehousing Services intends to advertise a competitive solicitation for new tires and present to the School Board for approval before the expiration date of December 31, 2017.