

## EXECUTIVE SUMMARY

### Recommendation of \$500,000 or Greater 18-024R – New Tires

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This request is to approve the recommendation to award Invitation to Bid (ITB) 18-024R – New Tires for three (3) years for a period from January 1, 2018 through December 31, 2020, with a renewal option for two (2) additional one (1) year periods. This Bid will provide the Student Transportation & Fleet Services Department (STFS) to purchase new tires for the District's fleet inventory.

Bid 18-024R was issued to replace the previous ITB 15-062R – New Tires. The solicitation for the new bid was advertised from November 14, 2017 through November 30, 2017. The bid was awarded by group to a primary and an alternate vendor who met all specifications, terms, and conditions of the bid. Including an alternate awardee allows for continuity of services if the primary vendor cannot comply with the delivery requirement, specifications, or in emergency cases.

STFS consist of over 1,300 school buses, (with approximately 1,000-bus route), 850 trucks, and several miscellaneous off-road equipment vehicles. Approximately 1,600 of these vehicles require six (6) tires each.

#### Financial Impact

The spending authority requested is \$3,300,000 and was determined based on the STFS's requirements to satisfy the needs of the District, utilizing historical and forecasted expenditures reflect in the Financial Analysis Worksheet and as shown below:

<u>78,847</u>	<u>average monthly expenditure</u>
<u>x 36</u>	<u>contract term</u>
<u>\$2,838,492</u>	<u>forecasted spending for the new contract term –Financial Analysis Worksheet</u>
<u>+ 425,774</u>	<u>additional fifteen (15) percent of unanticipated needs</u>
<u>\$3,264,265</u>	<u>award recommendation-rounded to \$3,300,000</u>

ITB 18-024R requested pricing for thirty-two (32) tire sizes from the three (3) major brands, Bridgestone/Firestone, Goodyear, and Michelin. The prices received represent an average price increase of five (5) percent, compared with the prices received three (3) years ago for the current ITB 15-062R. The District was advised before releasing a new bid that the manufacturers were increasing prices at the beginning of the 2018 calendar year. Any renewal of the current bid would reflect the new price increase. Procurement & Warehousing Services staff also compared the pricing received for ITB 18-024R with the State of Florida tire contract. The ITB 18-024R pricing was an average of fifteen (15) percent less than the State of Florida contract. The request for unanticipated needs of fifteen (15) percent includes the five (5) percent increase in pricing from the previous bid award and any unforeseen increase in petroleum cost that may influence the cost of tires. The funding source will come from the STFS's operating budget.