

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	09/26/16	Open	Action	09/14/16

Subject: Delegating Authorizing to the General Manager/CEO to Release a Solicitation Document for Revenue Vehicle Tire Lease and Services

ISSUE

Whether or not to delegate authority to the General Manager/CEO to release a Solicitation Document for Revenue Vehicle Tire Lease and Services.

RECOMMENDED ACTION

Adopt Resolution No. 16-09-____, Delegating Authority to the General Manager/CEO to Release a Solicitation Document for Revenue Vehicle Tire Lease and Services.

FISCAL IMPACT

Budgeted:	Yes	Cost Cntr/GL Acct(s) or Capital Project #:	GL 640024 CC 34
Budget Source:	Operating	Estimated Cost for \$ a 5-Year Contract	3,336,230.00
Funding Source:	Local		

DISCUSSION

RT, like most other transit districts, equips its revenue vehicles with leased tires. RT currently has a tire lease and services contract with Michelin North America, Inc. (Michelin) that will expire on March 29, 2017.

Michelin provides tires based on a per tire mileage lease rate. Michelin provides all required tools, equipment, and labor for tire-related services. Studies continue to indicate that the tire lease programs provide the lowest cost per mile. Staff recommends continuing the practice of tire lease agreements.

Upon approval by the Board to delegate authority to the General Manager/CEO to release a solicitation document, Staff intends to seek competition from qualified offerors and enter into a 5-year term contract. In the past, RT has conducted the lease solicitation using an Invitation to Bid; however, in the past, bidders have wanted to negotiate terms and conditions of the Contract, which is not possible for sealed low bid procurements. Consequently, Staff is assessing the viability of using the more flexible Request for Proposals to solicit for these services, which would permit RT to negotiate with proposers and consider factors other than price in determining the offeror that provides the best value to RT. Due to the potential switch in the method of procurement, the solicitation document is still a work in progress. To avoid delays in the

Approved:

Presented:

Final 09/21/16

General Manager/CEO

Director, Bus Maintenance

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procurement process, Staff is requesting that the Board delegate authority to the General Manager/CEO to issue the solicitation document (ITB or RFP) when it is complete.

This Contract will be funded in part with federal funds as part of its preventative maintenance program. Pursuant to RT's Disadvantaged Business Enterprise (DBE) Program, no DBE participation goal has been established for this contract. Further, due to no subcontracting opportunities for this contract, no Small Business Enterprise/Local Business Enterprise (SBE/LBE) goal has been established. Staff will, however, conduct extensive outreach to identify disadvantaged, small, and local businesses that perform these services and will send these vendors direct notice of this contract opportunity and urge them to submit offers.

Staff recommends that the Board authorize the General Manager/CEO to release a solicitation document for Revenue Vehicle Tire Lease and Services.

RESOLUTION NO. 16-09-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

September 26, 2016

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO RELEASE A
SOLICITATION DOCUMENT FOR REVENUE VEHICLE TIRE LEASE AND
SERVICES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby delegates authority to the General Manager/CEO to
release a Solicitation Document for a Revenue Vehicle Tire Lease and Services.

THAT, the Solicitation Document be advertised pursuant to the provisions of the RT
Procurement Ordinance.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary