



SUMMARY OF PROPOSED AWARD

TIRE AND WHEEL MAINTENANCE SERVICES & LEASING OF RADIAL TIRES

Presented to: Organizational, Services &
Performance Monitoring Committee

March 3, 2020

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

GCRTA Tire Requirements

Approximately 430 coaches

Coaches average 35,200 miles per year

Six (6) tires per coach, ten (10) tires per articulated coach

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

- Average tire lasts approximately 53,670 miles
- Authority requires approximately 1,980 tires per year

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

Lease Versus Buy

Following cost comparison
shows lease is less costly

PROJECT OVERVIEW

Lease Versus Buy

- Lease Option
Tires & Labor: **\$1,031,137** per year
- Buy Option
 - Tires: \$748,000 per year
 - Labor: Six (6) Employees \$581,900 per year
 - Tire equipment maintenance \$18,600 per year
 - Total **\$1,348,500** per year
 - Plus one time capital purchase, tire machine & tooling \$87,000

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

- Advantages of Lease Option
 - Reduced initial cash outlay
 - Pay only for mileage traveled
 - Complete Service Program
 - Fixed price
 - Not subject to pricing fluctuation

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

- Advantages of Lease Option
 - Reduces GCRTA liability on disposal of scrap tires
 - On-hand inventory at all District garages
 - Technical expertise

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

- General:
 - Ensures tires are defect free when received
 - Tires are serialized for asset tracking
 - Furnishes all repair materials & labor to maintain fleet

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

- Maintenance:
 - Inspects each tire's tread-depth once per month
 - Checks & corrects air pressure in each tire at least two (2) times per month
 - Dismounts, mounts, balance & rotate tires to maximize tire mileage
 - Ensures minimum tread depth of rubber remains on each tire after re-grooving

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract

- Reporting:
 - Monthly Tire Mileage:
 - By Tire
 - By Coach
 - By District
 - Monthly Summary of Work Completed
 - Monthly Summary of Spare Tires

PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract



PROJECT OVERVIEW

Tire Lease and Maintenance Five (5) Year Contract



PROCUREMENT OVERVIEW

- RFP issued November 4, 2019
- Eight (8) interested parties downloaded the package
- Three (3) vendors proposed

PROCUREMENT OVERVIEW

- First Year Estimated Contract Cost
 - 106,200,000 Tire Miles
 - \$0.005645 Average Cost per Mile
\$599,499.00 Total
 - \$431,683.20 Tire Maintenance
\$1,031,137.40 First Year Estimated Total Cost

PROCUREMENT OVERVIEW

- Evaluation Criteria:
 - Manufacturer's Reputation and Performance
 - Product Design and Performance
 - Cost Effectiveness/Price

PROCUREMENT OVERVIEW

- Evaluation Panel Members:
 - Fleet Engineering
 - Hayden District Equipment Management
 - Office of Management & Budget
 - Procurement

PROCUREMENT OVERVIEW

- Recommended Vendor:
 - Michelin North America Inc.
Located in Greenville, SC

PROCUREMENT OVERVIEW

- Experience:
 - New Jersey Transit
 - Southeastern Pennsylvania Transit Authority
 - Denver Regional Transportation District
 - Massachusetts Bay Transportation Authority
 - San Francisco Municipal Transportation Agency
 - Maryland Transit Administration
 - Miami-Dade Transit

PROCUREMENT OVERVIEW

Staff requests that the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees the award of a contract to Michelin North America, Inc. for the Tire and Wheel Maintenance Services and Leasing of Radial Tires in an amount not to exceed \$5,410,542 for a five (5) year period.

Questions?

