

RESOLUTION NO. 2010-22

RATIFYING THE RUN-OUT OPTION OF CONTRACT NO. 2004-036 WITH GOODYEAR TIRE & RUBBER COMPANY FOR A PERIOD NOT TO EXCEED THREE (3) YEARS AT A PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$1,013,196.72 (GENERAL FUND, FLEET MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority has a need for radial tires on all of its revenue vehicles; and

WHEREAS, as a condition of the Tire and Wheel Maintenance contract with Goodyear Tire & Rubber Company the Authority had to notify the supplier six months prior to the contract expiration date if the Authority intended to exercise the Run-Out Option; and

WHEREAS, Contract No. 2004-036 with Goodyear Tire & Rubber Company expired on 31 October 2009 and Bridgestone Tire & Rubber Company was the successful proposer for the furnishing of tire and wheel maintenance services and for the leasing of radial tires, as specified and as required, for a period of five (5) years; and

WHEREAS, the Authority determined a need for continued tire wheel and maintenance from Goodyear on its tires which are still in use by the Authority; and

WHEREAS, the Authority requested and Goodyear has been performing the terms of the Run-Out Option in Contract 2004-036; and

WHEREAS, the General Manager/Secretary-Treasurer deems it in the best interest of the Authority to ratify the Run-Out Option of Contract No. 2004-036 with Goodyear Tire & Rubber Company.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the General Manager/Secretary-Treasurer be authorized to exercise the contract Run-Out Option with Goodyear Tire & Rubber Company, as specified and as required, for a period not to exceed three (3) years at a projected contract amount not to exceed one million thirteen thousand one hundred ninety-six & 72/100 dollars (\$1,013,196.72).

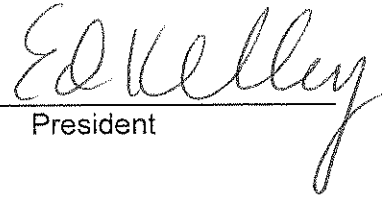
Section 2. That said contract shall be payable from the General Fund, Fleet Management Department budget, for a period not to exceed three (3) years at a projected total contract amount not to exceed one million thirteen thousand one hundred ninety-six & 72/100 dollars (\$1,013,196.72).

Section 3. That said contract shall be binding upon and an obligation of the Authority, contingent upon availability of future funds; compliance by the contractor to the Specifications and Addenda; if any, the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2009-023; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 4. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that the successful bidder will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: April 20, 2010



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/Description: CONTRACT: RATIFYING THE RUN-OUT OPTION OF CONTRACT NO. 2004-036 VENDOR: GOODYEAR TIRE & RUBBER COMPANY AMOUNT: NOT TO EXCEED \$1,013,196.72	Resolution No.: 2010-22
	Date: April 15, 2010
	Initiator: Fleet Management
ACTION REQUEST: <input type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action authorizes the General Manager/Secretary-Treasurer to ratify and exercise the Run-Out Option on Contract 2004-036 with Goodyear Tire & Rubber Company.
- 2.0 **DESCRIPTION/JUSTIFICATION:** Under the Terms and Conditions of the Goodyear contract 2004-036, authorized under Resolution No. 2004-114, the Authority had an option, prior to the expiration of the contract, to utilize the Goodyear tires for an additional three (3) years after the contract expiration date and continue to pay the per mile rate for the last year of the contract. The parties exercised the Option, in practice, prior to contract expiration. This Resolution authorizes the General Manager/Secretary-Treasurer to ratify the Run-Out Option of Contract No. 2004-036.
- 3.0 **PROCUREMENT BACKGROUND:** Per the Terms and Conditions of the Goodyear contract, the Authority had an Option of either pay Goodyear the total value of the tires on property at the end of the contract period or to continue to utilize the Goodyear tires for an additional three (3) years and continue to pay the per mile rate for the last year of the contract. It was determined to be cost beneficial to the Authority to utilize Goodyear tires at an average cost of \$.005963 per tire mile versus the Bridgestone lease tire rate of \$.006179 per tire mile. Using the Goodyear run-out will save the Authority approximately \$57,000 over the three year period.

A price analysis has been performed and the Procurement Department has determined that the price is fair and reasonable to the Authority.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative action requirements have been met. A 0% DBE goal was established for this procurement due to lack of certified DBE firms.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This procurement will be funded through the General Fund, Fleet Management Department budget, for a period not to exceed three (3) years at a projected total contract amount not to exceed one million thirteen thousand one hundred ninety-six & 72/100 dollars (\$1,013,196.72).
- 7.0 **ALTERNATIVES:** Reject the Run-Out Option. Rejection of this offer would impact the Authority's ability to replace worn tires, which could impact safety and service.

- 8.0 RECOMMENDATION: It is recommended that the Run-Out Option of Contract 2004-036 be accepted and this resolution passed, authorizing the General Manager/Secretary-Treasurer to ratify the Option.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer