



March 13, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Approval to Award Contract for Lease and Full Service of Bus Tires

Overview

The Orange County Transportation Authority contracts for the lease and service of bus tires at all operating bases, including contractor-operated bases for all revenue vehicles. An invitation for bids was issued in accordance with the Orange County Transportation Authority procurement procedures for competitive sealed bids. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2552 between the Orange County Transportation Authority and Bridgestone Americas Tire Operations, LLC, in the amount of \$9,223,781 for the lease and full service of bus tires for a five-year term.

Discussion

The Orange County Transportation Authority (OCTA) contracts for the lease and full service of bus tires at all operating bases for revenue vehicles. The contractor provides properly trained service personnel to mount and dismount the tires, balance the wheels, keep tires inflated to the recommended pressure, and perform tire repairs to keep them in proper operating condition. OCTA pays a fixed-cost rate for service staff and a fixed-cost rate for tire leasing based on miles used. Additionally, OCTA pays for the remaining useful life of the tires when buses are retired and sold.

The leasing of tires and the provision of tire service by a contractor is a common industry practice and OCTA has engaged in these services for its revenue vehicles since 1973. This has proven to be cost-effective in terms of utilizing material and labor resources. Tire leasing and full service is provided for more than 800 OCTA-owned revenue vehicles.

The current agreement for these services will expire on April 30, 2025.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for materials and equipment. These procedures, which conform to both federal and state requirements, require that contracts are awarded to the lowest responsive, responsible bidder after a sealed bidding process.

On November 25, 2024, the Board authorized the release of Invitation for Bids (IFB) 4-2552 through OCTA's CAMM NET system. The project was advertised in a newspaper of general circulation on November 25 and December 2, 2024. A pre-bid conference and job walk were held on December 3 and December 4, 2024, respectively, with three firms in attendance. One addendum was issued to post the pre-bid conference registration sheets and provide responses to questions received. On January 7, 2025, one bid was received and publicly opened .

In accordance with OCTA's procurement policies and procedures, a single bid received for procurement over \$50,000 requires OCTA's Internal Audit Department to conduct a review to determine whether the procurement process complied with the Contracts Administration and Materials Management (CAMM) Department procedures designed to ensure adequate outreach to stimulate competition. Per the results of Internal Audit's report, CAMM complied with policies and procedures. In addition, CAMM contacted firms on the Bid List and Plan Holder's List to inquire why they did not submit a bid. The firms' responses included challenges with limited staffing resources and the inability to meet the requirements of the IFB, as reasons for not submitting bids.

The bid was reviewed by staff from both CAMM and Maintenance departments to ensure compliance with the contract terms and conditions, and technical specifications.

The single bid amount based on estimated total miles is presented below:

<u>Firm and Location</u>	<u>Bid Amount</u>
Bridgestone Americas Tire Operations, LLC	\$9,223,781.36

CAMM conducted a price review and found that Bridgestone's proposed pricing reflects an approximate seven percent increase in various tire lease prices compared to the current agreement and is 29 percent lower than the project manager's independent cost estimate. Additionally, considering the rising

costs of raw materials, labor, machinery, transportation, disposal, and inflation since the current agreement was established in 2019, the proposed pricing is deemed fair and reasonable.

State law requires award to the lowest responsive, responsible bidder. As such, staff recommends award to Bridgestone Americas Tires Operations, LLC as the lowest responsive, responsible bidder, in the amount of \$9,223,781 for the lease and full service of bus tires for a five-year term.

Fiscal Impact

This project was approved in the OCTA Fiscal Year 2024-25 Budget, Operations Division, Maintenance Department, various accounts, and is funded through the Local Transportation Fund.

Summary

Staff requests the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2552 with Bridgestone Americas Tire Operations, LLC, in the amount of \$9,223,781 for the lease and full service of bus tires.

Attachment

None.

Prepared by:



Gretchen Burrow
Section Manager III, Maintenance
Resource Management
714-560-5533

Approved by:



Cliff Thorne
Director of Maintenance
714-560-5975



Pia Veasapen
Director, Contracts Administration and
Materials Management
714-560-5619



Johnny Dunning Jr.
Chief Operating Officer, Operations
714-560-5710