

From: [Evan Karl](#)
Cc: [Brandy Andersen](#)
Bcc: ct_govtsales@goodyear.com; [John Cook](#)
Subject: City of Mesa Contract #2019209: Vehicle Tires, Accessories and Related Services
Date: Thursday, November 07, 2019 9:18:00 AM
Attachments: [image001.png](#)
Importance: High

Good Morning,

The above entitled contract is being recommended to the Mesa City Council for award to your firm. It is anticipated that the award will be approved and final on Monday, November 18, 2019. At this time we are requesting that you forward insurance documentation as required by the solicitation document:

1. **TYPES AND AMOUNTS OF INSURANCE.** Insurance requirements are detailed in the Agreement document. Contractor must obtain and retain throughout the term of the Agreement, at a minimum, the following:
 - a. Worker's compensation insurance in accordance with the provisions of Arizona law. If Contractor operates with no employees, Contractor must provide the City with written proof Contractor has no employees. If employees are hired during the course of this Agreement, Contractor must procure worker's compensations in accordance with Arizona law.
 - b. The Contractor shall maintain at all times during the term of this contract, a minimum amount of \$1 million per occurrence/\$2 million aggregate Commercial General Liability insurance, including Contractual Liability. For General Liability insurance, the City of Mesa, their agents, officials, volunteers, officers, elected officials or employees shall be named as additional insured, as evidenced by providing an additional insured endorsement.
 - c. Automobile liability, bodily injury and property damage with a limit of \$1 million per occurrence including owned, hired and non-owned autos.
 - d. Garage Liability with a limit of \$1 million per occurrence – Occurrence Form
 - e. Garage Keeper with a limit of \$1 million per occurrence – Occurrence Form

Prior to the execution of the Contract, the Contractor shall provide the City with a Certificate of Insurance (using appropriate ACORD certificate) SIGNED by the Issuer, applicable endorsements, and the City reserves the right to request additional copies of any or all of the above policies, endorsements, or notices relating thereto.

When the City requires a Certificate of Insurance to be furnished, the Contractor's insurance shall be primary of all other sources available. When the City is a certificate holder, the Contractor agrees that no policy shall expire, be canceled or materially changed to affect the coverage available without advance written notice to the City.

"Waiver of Subrogation". The policies required by this agreement (or contract) shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, representatives, directors, elected officials, officers, employees, and volunteers for any

claims arising out of the work of Contractor.”

All insurance certificates and applicable endorsements are subject to review and approval by the City's Risk Manager.

Please email the Certificate of Liability Insurance to me in order to expedite award processing. I look forward to working with you and your firm on this important City of Mesa contract.

Thank you,

**Evan Karl | Purchasing
Procurement Specialist**

City of Mesa | PO Box 1466, Mesa, AZ 85211-1466
480.644.2356 | Evan.Karl@MesaAZ.Gov

Hours: Monday – Thursday, 7 am - 6 pm / closed Fridays





City Council Report

Date: November 18, 2019
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Five-Year Term Contract with Five Years of Renewal Options for Vehicle Tires, Accessories and Related services for Citywide Departments as requested by the Business Services and Fleet Services Departments
(Citywide)

Recommendation

Council is requested to approve the award as recommended.

A committee representing the Business Services and Fleet Services Departments and Purchasing evaluated responses. The evaluation committee recommends awarding the contract to the highest scored proposal from The Goodyear Tire and Rubber Company; and Michelin North America, Inc.; at \$900,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract will provide vehicle tires, accessories and related services for the Fleet Services' and Mesa Fire and Medical's Fleet Divisions. The City of Mesa, as the Principal Procurement Agency, partnered with OMNIA Partners to make the resultant contract from this solicitation available to other Public Agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit, through OMNIA Partners' cooperative purchasing program. Combining usage volumes from multiple governmental agencies will result in volume discounts favorable to the participating Public Agencies.

The City of Mesa intends to award a contract to two contractors, Michelin North America, Inc. and The Goodyear Tire and Rubber Company, which will be used locally and nationally. The contract with Michelin will be marketed as a national tire contract through Omnia Partners that will be used by the City and Omnia Partners' cooperative purchasing program. The Goodyear Tire and Rubber Company contract will be awarded for City of Mesa use only. As part of the solicitation response, The Goodyear Tire and Rubber Company declined to participate in a national contract but was interested in submitting for the City's needs.

OMNIA Partners is the largest and most experienced purchasing organization for public and private sector procurement. Through the economies of scale created by OMNIA Partners public sector subsidiaries, National IPA and U.S. Communities, participants have access to more competitively solicited and publicly awarded cooperative agreements.

Public Agencies benefit from pricing based on aggregate spend and the convenience of a contract that has already been advertised and publicly competed. The Supplier benefits

from a contract that allows Participating Public Agencies to directly purchase goods and services without the supplier's need to respond to additional competitive solicitations. As such, the supplier must be able to accommodate a nationwide demand for services and to fulfill obligations as a nationwide supplier.

While no minimum volume is guaranteed to the Supplier, the estimated annual volume of contract purchases and related services purchased under the Master Agreement through OMNIA Partners, Public Sector is approximately \$50 million annually. This projection is based on the current annual volumes among the City of Mesa, other Participating Public Agencies anticipated to utilize the resulting Master Agreement to be made available to them through OMNIA Partners, and volume growth into other Public Agencies through a coordinated marketing approach between the Supplier and OMNIA Partners.

The City received two proposals, of which all met the minimum qualifications. The evaluation committee completed the scoring of these responses against the evaluation criteria in the solicitation. Award is being recommended to the highest scored, responsive, responsible respondents. The evaluation committee unanimously agreed on the recommendation.

Purchase Information

Action: Award

Procurement Type: Request for Proposals

Contract Number: 2019209

Local Consideration: Not applicable as there were no Mesa responses

Protests Received: None

Initial Contract Term: Five years

Possible Renewals: Up to a maximum of five years subject to Administrative review and approval

Funding Source: Business Services Department – Materials and Supply operating budget through the Warehouse Internal Services Fund and Mesa Fire and Medical Department operating budget

Proposal Responses

The Goodyear Tire and Rubber Company
Akron, OH

Michelin North America, Inc.
Greenville, SC

No Bid response received from:
Coyote Tire Retreading, Inc.

Final Scoring

Respondent	Total Points Possible / 200
The Goodyear Tire and Rubber Company (Recommended)	<u>766.08</u>
Michelin North America, Inc. (Recommended)	<u>771.39</u>