



Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2024-0027, File Type: Contract

Agenda Number: 27.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE APRIL 18, 2024

SUBJECT: BUS TIRE LEASING & MAINTENANCE SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a five-year, firm fixed unit rate Contract No. PS49398000 to The Goodyear Tire and Rubber Company for the lease and maintenance of tires for the Metro-operated bus fleet and servicing of non-revenue vehicle tires in an amount not to exceed \$48,996,516, effective July 1, 2024, subject to resolution of any properly submitted protest(s), if any.

ISSUE

The contract award will provide Metro bus divisions with uninterrupted bus tire and maintenance services for the transit bus fleet through June 30, 2029. This service contract aims to continue providing Metro with tire maintenance to ensure reliable service on its revenue bus fleet. In addition, the contract will continue to provide qualified and trained service personnel to perform tire inspections and maintain the Metro bus fleet in safe operating condition.

BACKGROUND

Metro's directly operated revenue bus fleet consists of nearly 1,900 buses utilizing approximately 12,480 leased tires, traveling over 67 million miles annually. These tires require maintenance and service daily. Lease costs are based on actual bus tire mileage utilization, plus a fixed monthly service rate and a per tire sales/use tax. This service contract includes waste remediation of all spent tire castings and a comprehensive tire maintenance program. The tire maintenance program includes tire rotation, mounting, regrooving, recapping, balancing, inflating, and wheel refurbishing.

This Contract will cover leased tires for the revenue fleet as well as tire maintenance services for both the revenue and non-revenue fleets. Non-revenue tires are purchased under a separate contract but are mounted and balanced under the bus tire leasing and maintenance service contract.

DISCUSSION

Consistent and effective maintenance and servicing of bus tires is a fundamental requirement for bus service performance and reliability. The Metro revenue bus fleet travels over 180,000 miles per day throughout Los Angeles County on city streets, freeways, and highways. The fleet of nonrevenue vehicles also requires the same level of consistent and effective maintenance and servicing of tires to ensure that these vehicles are in good condition to provide support to bus and rail operations. The buses and nonrevenue vehicles are continually operating in a range of weather conditions from extreme heat to rain and on various road surface conditions. It is an operational necessity for the tires on the Metro fleet to be serviced, maintained, and replaced on a daily basis to limit service interruptions. The tire leasing and maintenance services contract will provide Metro with continuous bus tire maintenance and services to meet Metro bus fleet service requirements.

Bus tire leasing and maintenance services improve the customer experience by ensuring that Metro transit buses safely transport patrons to their destinations. The bus tire and maintenance service contract will ensure Metro bus divisions are well stocked with replacement tires, tire inspections on buses are performed on a nightly basis, tread depth and tire wear are closely monitored, air pressure is maintained, and any tires showing abnormal wear are replaced prior to the bus being placed into revenue service.

The safety and security of both customers and operators are ensured by contracting these services with a company that can provide transit-rated tires and qualified service personnel to inspect and maintain the Metro bus fleet.

DETERMINATION OF SAFETY IMPACT

Approval of the recommendation will have a positive impact on safety. As tires on buses wear, they are regularly replaced as part of a preventive maintenance plan to ensure the safe operation of the Metro bus fleet. This bus tire leasing and maintenance services contract guarantees Metro has the capability of maintaining and replacing tires on its fleet.

FINANCIAL IMPACT

The total five-year contract amount for this action is \$48,996,516. Funding of \$9,115,492 will be included in the FY25 budget in cost center 3120, Quality Assurance, under project 306002, Operations Maintenance, and line item 50421, Tires Revenue Equipment. Since this is a multi-year contract, the Senior Executive Officer, Maintenance and cost center manager will be accountable for budgeting the cost in future years.

Impact to Budget

The current funding sources for this action include Federal, State, and Local funds, which are eligible for Operations. The use of these funding sources meets the intent of project allocation allowances

given approved funding provisions and guidelines.

EQUITY PLATFORM

This action is anticipated to support safety and quality of service on the Metro bus fleet, which disproportionately serves marginalized groups and Equity Focus Communities (EFCs). Bus tire maintenance services will be performed by qualified service personnel who have experience performing these services. As part of a comprehensive bus maintenance program, bus tire leasing and maintenance services will ensure buses remain in a State of Good Repair to provide uninterrupted transportation services for these underserved communities.

The Diversity and Economic Opportunity Department (DEOD) established a five percent (5%) Disadvantaged Business Enterprise (DBE) goal. The Goodyear Tire and Rubber Company exceeded the goal by making a 6% DBE commitment.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Bus tire leasing and maintenance services for Metro buses support Strategic Goal 1: Provide the basics (i.e., safe, clean, and reliable) for best-in-class transit service that meets/exceeds customer expectations. Metro must have a strong and effective tire maintenance program to ensure safe and reliable transportation services.

ALTERNATIVES CONSIDERED

Staff considered a purchase tire program rather than a lease tire program, where Metro personnel perform the required tire service. These services would include procuring, warehousing, transporting, installing, maintaining, and processing waste tires. This alternative is not recommended because of the increased labor cost to Metro, increased liability, and the added responsibility of properly disposing of thousands of waste tire castings. Staff also considered a lease tire program where Metro personnel provide the required tire service. This alternative is not recommended because of increased labor costs and liability for any unforeseen events.

The existing contracting method greatly reduces Metro's risk and eliminates the responsibility for the removal, transportation, and disposal of waste tires.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS49398000 with The Goodyear Tire and Rubber Company to provide bus tire leasing and maintenance services, effective July 1, 2024.

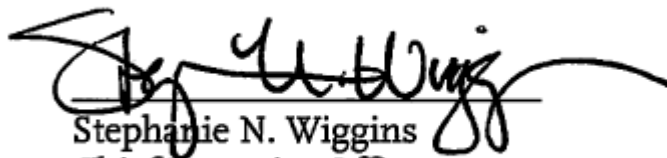
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

BUS TIRE LEASING AND MAINTENANCE SERVICES / PS49398000

1.	Contract Number: PS49398000	
2.	Recommended Vendor: The Goodyear Tire and Rubber Company	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFIQ <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: October 12, 2023	
	B. Advertised/Publicized: October 14, 2023	
	C. Pre-Proposal Conference: October 19, 2023	
	D. Proposals Due: December 12, 2023	
	E. Pre-Qualification Completed: January 18, 2024	
	F. Ethics Declaration Forms submitted to Ethics: December 13, 2023	
	G. Protest Period End Date: April 23, 2024	
5.	Solicitations Picked up/Downloaded: 5	Proposals Received: 2
6.	Contract Administrator: Shannon Thoene	Telephone Number: (213) 922-2790
7.	Project Manager: James Jimenez	Telephone Number: (213) 922-5870

A. Procurement Background

This Board Action is to approve the award of Contract No. PS49398000 for the lease and maintenance of tires for the Metro-operated bus fleet and servicing of non-revenue vehicle tires. Board approval of contract award is subject to resolution of any properly submitted protest, if any.

On October 12, 2023, Request for Proposals (RFP) No. PS49398 was issued as a competitive procurement in accordance with Metro's Acquisition Policy and the contract type is firm fixed unit rate. This RFP was issued with a 5% Race Conscious Disadvantaged Business Enterprise (DBE) goal.

Four amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on October 18, 2023, modified the pre-proposal conference meeting time.
- Amendment No. 2, issued on November 13, 2023, revised the RFP submittal requirements to include supporting pricing documentation, modified the Schedule of Quantities and Prices to provide mileage and unit rates, amended the scope of services to clarify the equipment needed for tire inspections, tread depth requirements for rear tires and approvals required for overtime work.
- Amendment No. 3, issued on November 16, 2023, extended the proposal due date.
- Amendment No. 4, issued on December 5, 2023, extended the proposal due date.

A total of 5 firms downloaded the RFP and were included on the planholders' list. A hybrid pre-proposal conference was held on October 19, 2023, and participants were given the opportunity to attend the meeting in person or remotely. The pre-proposal conference was attended by 9 participants, representing 2 firms. A worksite visit was also conducted on the same day and was attended by 2 participants representing 1 firm. There were 85 questions received, and responses were released prior to the proposal due date.

A total of two proposals were received by the due date of December 12, 2023, and are listed below in alphabetical order:

1. Bridgestone Americas Tire Operations, LLC
2. The Goodyear Tire and Rubber Company

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Environmental Compliance & Service and Maintenance Operations was convened and conducted a comprehensive technical evaluation of the proposals received.

Proposers were advised of an approved equal for a heavy-duty tire changer and a wheel balancer through the Q&A issued on November 13, 2023. Subsequently, staff formalized the Metro approved equal.

The proposals were evaluated based on the following evaluation criteria:

Phase I - Pass/Fail Minimum Qualification Equipment Requirements: This is a pass/fail criteria. To be responsive to the RFP minimum qualification requirements, proposers must provide a written statement that they will provide the required new equipment: Coats Model HIT6000 Heavy Duty Tire Changer or Hunter TCX635HD Heavy Duty Tire Changer, Coats Model 6450 Heavy Duty Wheel Balancer or John Bean 9800 Heavy Duty Wheel Balancer, Portable Air Compressor, Hand Tools, Torque Wrench, and Impact Wrench and 2022 model year or newer service truck within two months of contract start date.

Phase II – Weighted Evaluation: Proposers that meet the Phase I Minimum Qualification Requirements are further evaluated based on the following criteria and weights:

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|---|-----------|
| • Qualifications of the Prime Contractor and the Team | 25 Points |
| • Qualification and Capabilities of Key Personnel | 11 Points |
| • Understanding of the Scope of Services and Management Plan/Approach | 40 Points |
| • DBE Contracting Outreach and Mentor Protege Approach | 4 Points |
| • Cost Proposal | 20 Points |

The evaluation criteria are appropriate and consistent with criteria developed for similar types of procurements. Several factors were considered in developing these weights, giving the greatest importance to the understanding of the scope of services and management plan/approach.

During the period of December 14, 2023 to December 27, 2023, the PET independently evaluated and scored the technical proposals. The PET deemed both proposals to be responsive to the Phase I - Pass/Fail Minimum Qualification Equipment Requirements and continued to evaluate the proposals based on the Phase II – Weighted Evaluation.

On December 29, 2023, the PET completed its evaluation and determined The Goodyear Tire and Rubber Company to be the highest ranked proposer.

Qualifications Summary of Firms within the Competitive Range:

Bridgestone Americas Tire Operations, LLC

Bridgestone Americas Tire Operations, LLC is the tire division of Bridgestone America's, Inc., the North American subsidiary of Bridgestone Corporation.

The Mileage Sales Group of Bridgestone America's Tire Operations, LLC, is headquartered in Nashville, TN, and has been in the tire business for over 90 years. It offers quality tire products to customers both in the public transit and privately operated bus industries. Existing transit agency clients include the Metropolitan Transit Authority of Harris County, Texas, the Municipality of Metropolitan Seattle, Sacramento Regional Transit District, Omnitrans, and the Orange County Transportation Authority.

The Goodyear Tire and Rubber Company

The Goodyear Tire & Rubber Company (Goodyear) has been in the tire and rubber business since 1898. It has been leasing tires for most of the company's 125 years of existence, which includes almost 80 different transit system locations in North America. It has provided tire leasing and/or maintenance services to numerous transit agencies in the United States and Canada. Clients include Chicago Transit Authority, New York City Transit/MTA Bus Company, Washington Metropolitan Area Transit Authority, City of Edmonton, and Calgary Transit.

The following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	The Goodyear Tire and Rubber Company				
3	Qualifications of the Prime Contractor and the Team	93.33	25.00%	23.33	

4	Qualification and Capabilities of Key Personnel	85.56	11.00%	9.41	
5	Understanding of the Scope of Services and Management Plan/Approach	87.41	40.00%	34.96	
6	DBE Contracting Outreach and Mentor Protégé Approach	75.00	4.00%	3.00	
7	Cost Proposal	100.00	20.00%	20.00	
8	Total		100.00%	90.70	1
9	Bridgestone Americas Tire Operations, LLC				
10	Qualifications of the Prime Contractor and the Team	81.33	25.00%	20.33	
11	Qualification and Capabilities of Key Personnel	67.78	11.00%	7.46	
12	Understanding of the Scope of Services and Management Plan/Approach	62.96	40.00%	25.19	
13	DBE Contracting Outreach and Mentor Protégé Approach	75.00	4.00%	3.00	
14	Cost Proposal	97.60	20.00%	19.52	
15	Total		100.00%	75.50	2

C. Price Analysis

The recommended price has been determined to be fair and reasonable based on the Independent Cost Estimate (ICE), price analysis, technical evaluation, fact-finding, and negotiations. Metro staff successfully negotiated a cost savings of \$1,276,452.

	Proposer Name	Proposal Amount	Metro ICE	Recommended/ Negotiated Amount
1.	The Goodyear Tire and Rubber Company	\$50,272,968	\$54,561,000	\$48,996,516
2.	Bridgestone Americas Tire Operations, LLC	\$51,500,000		

The variance between the ICE and the negotiated amount is primarily due to lower tire lease mileage and escalation rates proposed by Goodyear.

D. Background on Recommended Contractor

The Goodyear Tire and Rubber Company (Goodyear) is an American multinational tire manufacturer headquartered in Akron, Ohio and has been in business for over 125 years. It develops, manufactures, and distributes a wide range of tires for automobiles, trucks, buses, aircraft, motorcycles, earth moving and mining equipment, farm implements, industrial equipment and various other applications.

Goodyear has been providing bus tire leasing and maintenance services to Metro for over 25 years and performance has been satisfactory.

The Goodyear team includes three DBE-certified subcontractors providing tire disposal services, aluminum wheel polishing, and supplying uniform and safety apparel.

DEOD SUMMARY**BUS TIRE LEASING AND MAINTENANCE SERVICES / PS49398000****A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this solicitation. The Goodyear Tire & Rubber Company exceeded the goal by making a 6% DBE commitment.

Small Business Goal	5% DBE	Small Business Commitment	6.00% DBE
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	DBE Subcontractor	Ethnicity	% Committed
1.	Islas Tires, Inc.	Hispanic American	3.33%
2.	Metal Masters, LLC	Hispanic American	2.59%
3.	JCM & Associates, Inc.	Hispanic American	0.08%
Total Commitment			6.00%

B. Contracting Outreach and Mentorship Plan (COMP)

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP) including strategies to mentor for protégé development one (1) DBE firm for Mentor-Protégé development. The Goodyear Tire & Rubber Company proposed to mentor two (2) protégés: Islas Tires, Inc. (DBE) and Metal Masters, LLC (DBE).

C. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

D. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

E. Prevailing Wage Applicability

Prevailing Wage is not applicable to this contract.

F. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.