

Transportation Committee

For the Metropolitan Council meeting of November 29, 2017

Subject: Contract for Transit Vehicle Tire Lease and Service

Proposed Action

For the Metropolitan Council to authorize the Regional Administrator to execute a five-year tire lease and service contract with Michelin North America, Inc. in accordance with the Council's specifications and Michelin's proposal dated August 23, 2017 for an amount not to exceed \$14,463,419.33.

Summary of Committee Discussion/Questions

Joe Reichstadt introduced Abel Mumbi who presented this item. Abel answered a couple questions from Council members: how many companies make tires for buses (there were three document holders - Michelin, Bridgestone, and Goodyear- out of the three tire companies only Micheline submitted a proposal); why was there only 1 proposal (procurement conducted adequate competition determination and found that there was no indication that the Council's specifications were restrictive and determined there was adequate competition); is it cheaper to lease then purchased (yes).

Motion by Reynoso, seconded by Commers and passed. CONSENT to Council.

Transportation Committee

Meeting date: November 13, 2017

For the Metropolitan Council meeting of November 29, 2017

Subject: Contract for Transit Vehicle Tire Lease and Service

District(s), Member(s): All

Policy/Legal Reference: Council Procurement Policy

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510

Vince Pellegrin, Chief Operations Officer, 612-349-7511

Brian Funk, Deputy Chief Operations Officer, Bus, 612-349-7514

Joseph Reichstadt, Director, Bus Maintenance, 612-349-5052

Abel Mumbi, Manager, Warranty, Contracts & Analysis, 612-349-5011

Division/Department: Metro Transit Bus Maintenance

Proposed Action

For the Metropolitan Council to authorize the Regional Administrator to execute a five-year tire lease and service contract with Michelin North America, Inc. in accordance with the Council's specifications and Michelin's proposal dated August 23, 2017 for an amount not to exceed \$14,463,419.33

Background

Metro Transit currently contracts for the tire lease and service of approximately 6332 tires, on its active fleet of 912 transit buses. The contractor provides tire service, mount and dismounting tires, wheel refurbishment, tire inspection, and record keeping.

A Request for Proposal (RFP) for tire lease and service was issued on June 27th, 2017, only one proposal was received to provide these services. An evaluation panel made up of Council employees and one individual outside the Council reviewed the proposal for both technical and financial aspects. The panel's consensus determination was that the proposal from Michelin North America, Inc. estimated at \$14,463,419.33 for a five-year contract is advantageous to the Council.

Rationale

The current tire lease and service contract expires on April 30th, 2018, a new contract is required to provide tires for Metro Transit bus fleet.

Thrive Lens Analysis

A new tire lease and service contract advances Thrive through the Lens of promoting regional prosperity for everyone, by continuing to serve residents who depend on transit.

Funding

Funding for this contract will be budgeted and approved for in future Capital Improvement Programs, and funding sources will be an 80/20 federal grant and operating budget.

Known Support / Opposition

There is no known opposition to the proposed action.