



DATE: February 27, 2023  
TO: Angela Calvillo, Clerk of the Board  
FROM: Sailaja Kurella, Acting Director of Office of Contract Administration (OCA) and Purchaser  
SUBJECT: Resolution to approve Term Contract 71208A – Tire Lease & Associated Services for SFMTA Buses & Trolleys

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Enclosed is the resolution authorizing execution of Term Contract 71208A (PeopleSoft Contract ID 1000028080) with Michelin North America, Inc. for the lease of tires and associated services for SFMTA buses and trolleys. The contract has an initial contract not to exceed amount of \$13,500,000 for five years, and \$5,400,000 for two optional extension years, for a total not to exceed amount of \$18,900,000 and total contract duration of seven years, commencing on April 1, 2023, and ending on March 31, 2030.

The Office of Contract Administration (OCA) issued a competitive solicitation on September 15, 2022 to procure the products and services, under Sourcing Event 0000004939. The solicitation resulted in no responsive bidders. As such, the contractor, Michelin North America, Inc., was selected pursuant to Section 21.6 of the San Francisco Administration Code.

### **Description of Services**

The San Francisco Municipal Transit Authority (SFMTA) presently operates over 300 trolleybuses. In addition to furnishing leased tires for SFMTA's buses and trolleys, the contractor will provide balancing and maintenance services, and furnish all tools and equipment necessary to perform its services. The not to exceed amount for this contract is based on past usage over prior contract term.

This contract represents a vital service for SFMTA. Without this contract, the City would be in danger of not having adequate services contracted to manage its fleet of buses and trolleys to keep the transit system operational.

If you have any questions or require additional information, please contact Shawn Peeters on my team at (628) 652-1626.

### **Enclosures:**

1. Proposed Contract 1000028080 (Michelin North America, Inc.)
2. SFETH Form 126(f)2 - Contract 1000028080 (Michelin North America, Inc.)
3. SFETH Form 126(f)4 - Contract 1000028080 (Michelin North America, Inc.)
4. Resolution - Contract 1000028080 (Michelin North America, Inc.)