



**San Francisco Office of the City Administrator
City Administrator Carmen Chu**

Tire Lease & Associated Service for SFMTA Buses & Trolleys

File 23-0207

Office of Contract Administration

Board of Supervisors' Budget and Finance Committee

April 5, 2023

Contract Summary

- Provides for the lease of tires and associated tire services for fleet of 860 SFMTA buses and trolleys. Services take place at six SFMTA bus yards.
- Current contract with Michelin North America, Inc. (Michelin)
 - Current NTE \$9.995M, ending on September 30, 2023
 - Contract has been exhausted
- Competitive solicitation issued September 15, 2022 pursuant to Admin. Code § 21.03 to replace current contract
- Solicitation resulted in no responsive bidders
- OCA awarding contract to Michelin (incumbent) pursuant to Admin. Code § 21.6

Contract Pricing & Projected Expenditures

	Current Contract <i>(10/1/2018-9/30/2023)</i>	Proposed Contract <i>(4/1/2023-3/31/2028)</i>
Tire Lease Pricing	\$0.00547-\$0.00711 per mile	\$0.00577-\$0.0075 per mile
Est. Monthly Lease Cost	\$70,000	\$70,000
Monthly Tire Service (flat rate)	\$143,125	\$151,042
Est. Monthly Recycling Fee	\$0	\$595
Total Annual Cost	\$2,557,500	\$2,659,644

Proposed Action

OCA requests retroactive approval of the resolution to enter into contract as follows:

- Initial not-to-exceed amount of \$13,500,000 for five years from April 1, 2023 through March 31, 2028.
- Option to extend up to 7 years ending March 31, 2030, for total NTE of \$18,900,000.

Thank You