



AGENDA REPORT

Meeting Date: August 19, 2014
Item Number: D-24
To: Honorable Mayor & City Council
From: Craig Crowder, Fleet Manager *MC*
Subject: ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT OF \$70,000.00 TO TIRE CENTERS LLC FOR MOUNTED-WHEEL SERVICE
Attachment: 1. Tire Centers LLC Letter of Extension
2. Tire Centers LLC Agreement (438-13)

RECOMMENDATION

Staff recommends that the City Council move to approve a purchase order to Tire Centers LLC, in the not-to-exceed amount of \$70,000.00 for Heavy-Duty Tire Service which is budgeted for Fiscal Year 2014/2015 in Program No. 49008501, Vehicle Maintenance. The agreement has been extended for one (1) additional one (1) year term pursuant to Section 2, (b).

DISCUSSION

Heavy-Duty Tire Service includes tire recaps and demounting/mounting of large tires which are used on various types of heavy-duty vehicles. For twenty years, the City has outsourced this service to free-up mechanics from the specialty tire work and to save maintenance funds by using recapped tires in every possible area where it is allowed by law. A recapped tire lasts just as long as a new one for half the cost.

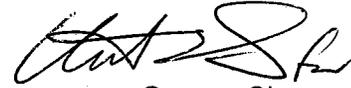
Tire Centers LLC is the Michelin authorized retreader in Southern California that is the closest and most able to provide responsive service to the City of Beverly Hills. They also hold current service contracts with the City and County of Los Angeles, as well as the current WSCA (Western States Contracting Alliance) tire contract with the State. Tire Centers LLC has been extremely responsive to the needs of the City's Fleet Service Center and the Central Stores staff during the past fiscal year as well as provided excellent performing products. Therefore, staff recommends that the City Council move to approve a purchase order to Tire Centers LLC in the not-to-exceed amount of \$70,000.00 for Heavy-Duty Tire Service for Fiscal Year 2014/2015.

Meeting Date: August 19, 2014

FISCAL IMPACT

Funding for this purchase will be provided from the following Council-approved budget for Fiscal Year 2014/2015:

Budget Unit	Program # / Description of Fund Source	Account #	Amount
49	49008501 / MAINT & REPAIR AUTO	730200	\$70,000.00



George Chavez

Approved By

Attachment 1



George Chavez, Director of Public Works Services
Department of Public Works Services

July 22, 2014

Gregg Betcher,
National Account Manager
Tire Centers LLC
1530 S. Alameda St.
Los Angeles, CA 90021

Re: Agreement between the City of Beverly Hills and Tire Centers LLC., to provide Mounted Wheel Services, Agreement No. 438-13, dated October 13, 2013 ("Agreement").

Dear Mr. Betcher:

The purpose of this letter is to extend the time of performance of the Agreement as set forth in Section 2, which provides that the City Manager (or Chief Financial Officer) or his designee may extend such time in writing for two additional one-year terms. The time of performance is hereby extended to June 30, 2015, pursuant to the same terms and conditions of the Agreement.

Sincerely,

George Chavez
Director of Public Works Services

cc: Byron Pope, City Clerk
Laurence S. Wiener, City Attorney
Don Rhoads, Director of Administrative Services/Chief Financial Officer

Attachment 2

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND TIRE CENTERS LLC FOR MOUNTED-WHEEL SERVICE

NAME OF CONTRACTOR: Tire Centers LLC

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Gregg Betcher, National Account Manager, Government Sales

CONTRACTOR'S ADDRESS: 1530 S. Alameda St.
Los Angeles, CA 90021
Attention: Gregg Betcher, National Account Manager, Government Sales

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Craig Crowder, Fleet Manager

COMMENCEMENT DATE: July 1, 2013

TERMINATION DATE: June 30, 2014 and may be extended as described in Section 2 of this Agreement

CONSIDERATION: Total not to exceed \$ 225,000.00

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND TIRE
CENTERS LLC FOR MOUNTED-WHEEL SERVICE

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Tire Centers LLC (hereinafter called "CONTRACTOR").

RECITALS

A. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.

B. CONTRACTOR represents that it is qualified and able to perform the Scope of Works.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONTRACTOR's Scope of Work. CONTRACTOR shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. CITY shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CONTRACTOR must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section 2. Time of Performance.

(a) CONTRACTOR shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY. CONTRACTOR shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

(b) The City Manager or his designee may extend the time of performance in writing for two additional one-year terms or such other term not to exceed two years from the date of termination pursuant to the same terms and conditions of this Agreement. Pricing set forth on Exhibit B, attached hereto and incorporated herein, will be reviewed by both parties in the event the CITY exercises an option to extend.

Section 3. Compensation.

(a) Compensation. CITY agrees to compensate CONTRACTOR for the services and/or goods provides under this Agreement, and CONTRACTOR agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly described in Exhibit B. Since new tire and retread prices are subject to change based upon the manufacturer's published prices, CONTRACTOR may annually review prices stated in Exhibit B. Upon 90 days written notice to the CITY and if agreed to in writing by both parties, the service prices stated in Exhibit B may be revised with any such revisions to be effective as of the date of execution of an extension of the term of this Agreement in accordance with Section 2(b).

(b) Expenses. CONTRACTOR shall be entitled to reimbursement only for those expenses expressly set forth in Exhibit B. Any expenses incurred by CONTRACTOR which are not expressly authorized by this Agreement will not be reimbursed by CITY.

(c) Additional Services. CITY may from time to time require CONTRACTOR to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by CITY in writing and agreed upon by both parties in writing.

Section 4. Method of Payment. Unless otherwise provided for herein, CONTRACTOR shall submit to CITY a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONTRACTOR said Consideration in accordance with the schedule of payment set forth in Exhibit B.

Section 5. Independent Contractor. CONTRACTOR is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's employees, except as herein set forth. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONTRACTOR without the prior written approval of CITY. Any attempt by CONTRACTOR to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s).

(a) CONTRACTOR's Responsible Principal set forth above shall be principally responsible for CONTRACTOR's obligations under this Agreement and shall serve as principal liaison between CITY and CONTRACTOR. Designation of another Responsible Principal by CONTRACTOR shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CONTRACTOR represents that it has, or shall secure at its own expense, all personnel required to perform CONTRACTOR's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. Permits and Licenses. CONTRACTOR shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CONTRACTOR. CONTRACTOR affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONTRACTOR.

Section 11. Insurance.

(a) CONTRACTOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONTRACTOR.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONTRACTOR in performing the Scope of Work required by this Agreement.

(3) Workers' compensation insurance as required by the State of California.

(b) CONTRACTOR shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer licensed to do business in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(d) CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONTRACTOR's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONTRACTOR shall maintain on file with the City Clerk a certificate or certificates of insurance on the current Accord form showing that the aforesaid policies are in effect in the required amounts. CONTRACTOR shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general and auto liability insurance shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(f) The insurance provided by CONTRACTOR shall be primary to any coverage available to CITY. The Workers' Compensation policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY.

Section 12. Indemnification. CONTRACTOR agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation,

attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONTRACTOR or any person employed by CONTRACTOR in the performance of this Agreement.

Section 13. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONTRACTOR. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONTRACTOR, CONTRACTOR shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONTRACTOR be entitled to receive more than the amount that would be paid to CONTRACTOR for the full performance of the services required by this Agreement. CONTRACTOR shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 14. CITY's Responsibility. CITY shall provide CONTRACTOR with all pertinent data, documents, and other requested information as is available for the proper performance of CONTRACTOR's Scope of Work.

Section 15. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONTRACTOR and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 16. Records and Inspections. CONTRACTOR shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of 3 years. CITY shall have access, without charge, during normal business hours to such records, and the right to examine and audit the same and to make copies and transcripts therefrom, and to inspect all program data, documents, proceedings and activities.

Section 17. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 18. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 19. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONTRACTOR, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONTRACTOR.

Section 20. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

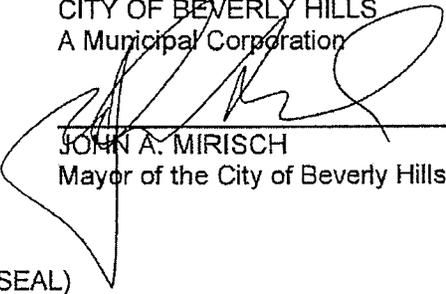
Section 21. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 22. CITY Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONTRACTOR.

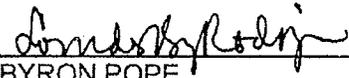
Section 23. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the 15th day of October 2013, at Beverly Hills, California.

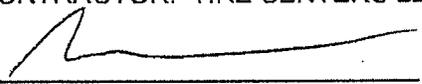
CITY OF BEVERLY HILLS
A Municipal Corporation


JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

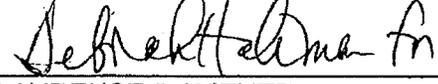
ATTEST:

for 
BYRON POPE (SEAL)
City Clerk

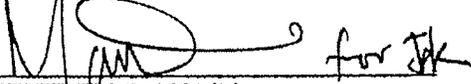
CONTRACTOR: TIRE CENTERS LLC

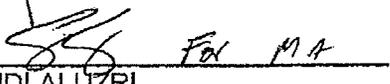

GREGG BETCHER
National Account Manager, Government Sales

APPROVED AS TO FORM:


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT


JEFFREY C. KOLIN
City Manager


MAHDI ALUZRI
Acting Director of Public Works & Transportation

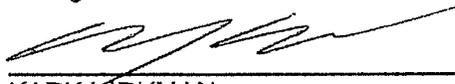

KARK KIRKMAN
Risk Manager

EXHIBIT A

SCOPE OF WORK

CONTRACTOR shall perform the following services:

- Provide CITY with mounted-wheel service upon request by Fleet Services staff to include, but not limited to, furnishing and delivering tires for on-road heavy-duty vehicles such as Refuse-collection trucks, Street Sweepers, Emergency vehicles, and various types of utility-support vehicles.
- CONTRACTOR shall provide CITY with only Michelin Retread Technologies Inc. tires, where retread tires are requested.
- Provide one (1) biweekly scheduled pick-up/deliveries/service or when requested by administrator.
- Respond to emergency service within 2 hours upon receipt of notification during normal working hours. **24/7** emergency service is required.
- Provide tires with highway tread unless otherwise indicated.
- Provide scrap tire analysis reports, and review reports and other casings on site with the Shop Supervisor once a month, minimum.
- Unit prices of tires shall include delivery charges.
- All tires are to be delivered to the Fleet Services Center Tire Room at: 9355 W. Third Street, Beverly Hills, CA 90210.
- CONTRACTOR shall pick up tires and wheels, and dismount and mount at their facility. Tires returned to CITY shall already be mounted on wheels.
- When picking up tires, the tires are to be written up on a work order or tire receipt and tagged with barcode or serial number to ensure CITY gets the same tire back. The work order or receipt must contain the tire DOT code and barcode or serial numbers. All rejected casings that fail final inspection will be returned to CITY and receipted by barcode or serial number with a report to CITY indicating reason for tire's unsuitability for retreading.
- Casings shall be approved casings from Michelin, Goodyear or Firestone, shall be no more than 3 years old, and not have undergone any type of major repair.
- Casings shall be thoroughly inspected to ensure they meet or exceed DOT retreading standards. Visual inspection shall include looking for every cut, bruise, and puncture, as well as other damage to the tire body.
- In addition to a visual inspection of every casing, CONTRACTOR shall provide no-damage inspections (NDI) of casings prior to recap. NDI procedure may involve electronic, holographic, X-ray or ultrasonic equipment to detect any damage that may not be detected through simple visual process. NDI shall conform to the "Michelin" standards or better.
- Every retread and repair must be performed by a qualified retreader and bear a valid DOT shop number. Retread shall be warranted to be free from defects in workmanship and materials and to give satisfactory service under normal operating conditions for the life of the usable tread.
- Should the retread fail while in service and the cause is faulty workmanship and/or materials, the recapped tire shall be credited at 100% of the actual invoice price for the retread / repair and the casing, when 10% or less of the original tread is worn. When between 10% worn

and 4/32nds of an inch of tread remaining, credit will be given on a pro rata basis for the retread and the casing (no casing credit is applicable after the first 25% of tread is worn), based on the actual invoice price paid. Replacement charges will be determined by the Michelin Retread Technologies, Inc. National Limited Warranty manual (Rev. 05/09) dated 2009.

CONTRACTOR will not be liable for retreads rendered unserviceable due to road hazards (cuts, punctures, etc), incorrect or improper mounting, tire / wheel imbalance or improper repairs made by others, underinflation, overinflation, curbing, improper maintenance, wheel misalignment, vehicle damage, or damage caused by abuse, accident, fire, chemical corrosion, tire alteration, vandalism or casings classified and marked by retreader as "NA" (not adjustable) adjacent to the retread DOT code.

EXHIBIT B

SCHEDULE OF PAYMENT AND RATES

CONTRACTOR shall submit an itemized statement to CITY for its services performed for the prior month, which shall include documentation setting forth in detail a description of the services rendered on a form approved by CITY. CITY shall pay CONTRACTOR the amount of such billing within thirty (30) days of receipt of same.

CONTRACTOR shall charge CITY for goods and services delivered at the following rates:

Tire Size	Ply Rating	Tread Design	Unit price	Casing Price
11R22.5 Highway	14	MX XZE #78390	\$474.41	N/A
11R22.5 LUG	14	MX XDE M/S #73493	\$446.41	N/A
11R22.5 RECAP-HW		MRT XZUS 230MM #04030	\$241.09	MARKET VALUE
11R22.5 RECAP-LUG		MRT XDY 240MM #34864	\$230.87	MARKET VALUE
12R22.5 HIGHWAY	16	MX XZE #85335	\$629.64	N/A
12R22.5 LUG	16	MX XDS #62208	\$622.02	N/A
12R22.5 RECAP-HW		MRT XZUS 230MM #67537	\$247.91	MARKET VALUE
12R22.5 RECAP LUG		MRT XDY 240MM #81973	\$237.32	MARKET VALUE
225/70R19.5 HIGHWAY	12	MX XZE #81473	\$329.99	N/A
225/70R19.5 LUG	12	MX XDS2 #91423	\$336.66	N/A
225/70R19.5 RECAP-HW		MRT XZE 203MM #70616	\$132.97	MARKET VALUE
225/70R19.5 RECAP-LUG		MRT XDE M/S 200MM #94827	\$137.63	MARKET VALUE
315/80R22.5		MX XZUS2 #77510	\$748.98	N/A
315/80R22.5 RECAP (CERT FRT AXLE)		MRT XZUS 240MM #16024	\$260.40	MARKET VALUE

SECTION REPAIR W/ RETREAD	
SPOT REPAIR	\$4.00
TRUCK DISMOUNT	\$15.00
TRUCK MOUNT	\$15.00
WHEEL DISMOUNT/MOUNT	\$30.00
TRUCK FLOW THRU VALVE	\$1.35
VALVE STEMS	\$5.95

OTHER SERVICE DESCRIPTION	EFFECTIVE HOURS	HOURLY RATE
ROAD CALL (Monday thru Friday)	7AM to 5PM	\$70.00
ROAD CALL (Monday thru Friday)	AFTER 5PM	\$105.00
ROAD CALL (Saturday)	ANYTIME SATURDAY	\$105.00
ROAD CALL (Sunday/Holidays)	ANYTIME SUNDAY / HOLIDAYS	\$140.00