

Memorandum



Date: October 5, 2021

To: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor *Daniella Levine Cava*

Subject: Recommendation for Approval to Award Tire Leasing

Agenda Item No. 8(F)(6)

Recommendation

It is recommended that the Board of County Commissioners (Board) approve a competitive contract award, *Contract No. FB-01517, Tire Leasing*, for the Department of Transportation and Public Works (Transportation and Public Works). The current contract, FB-00337, was approved by the Board for a five-year term on July 6, 2016, and awarded to Michelin North America, Inc. (Michelin) through Resolution No. R-619-16.

This item is placed for Board review pursuant to Miami-Dade County Code Section 29-124(f)(ii). Because this is a transit-related procurement with a value of more than \$1 million, even though no Charter County Transportation Surtax Funds will be used to pay the costs, the Board may only consider this item if the Citizens' Independent Transportation Trust (CITT) has forwarded a recommendation to the Board prior to the date scheduled for Board consideration or 45 days have elapsed since the issuance of this recommendation. If CITT has not forwarded a recommendation and 45 days have not elapsed since the issuance of this recommendation, a withdrawal of this item will be requested.

Background

This contract will provide for tire leasing and related tire services. The leased tires are supplied directly from tire manufacturers to Transportation and Public Works for use in all revenue buses. The recommended vendor, Michelin, will maintain a sufficient supply of tires to guarantee continuity of services, as well as provide all tire services, such as mounting and dismounting tires on wheel-rims supplied by the County, repairing, re-grooving or recapping tires, wheel-rim inspections, balancing, and disposal of tires. Michelin will also furnish all supplies such as wheel weights, valve stems and caps, repair materials, and mounting lubricant, as well as provide all tools, equipment, and technicians needed by Transportation and Public Works.

A "lease versus buy" analysis was performed, and it confirmed that continuing to lease bus tires is in the County's best interest, as buying the tires would incur additional costs of approximately \$11.8 million over the five-year term. In addition, the risks associated with ownership of the tires would have to be borne by the County.

Prior to advertising the replacement solicitation, outreach was conducted to encourage vendor participation in the solicitation. A draft of the solicitation was published on the County's future solicitation webpage to solicit feedback. The three major tire manufacturers were contacted, and two of them participated in the solicitation process. Responses were received from The Goodyear Tire & Rubber Company (Goodyear) and Michelin. The third manufacturer, Bridgestone Americas Tire Operations, LLC (Bridgestone), was notified of the solicitation, but did not submit an offer. Staff reached out to Bridgestone to ascertain the reason they did not submit an offer, and Bridgestone responded that they could not provide all tires as requested and decided not to bid.

Scope

The scope of this item is countywide in nature.

Fiscal Impact/Funding Source

The fiscal impact for the five-year contract term is \$11,626,958. Should Michelin not be recommended for the succeeding contract, the County will need to exercise a three-year run-out option term with Michelin to pay for Michelin owned tires that will remain mounted on County buses for up to three years after the initial five-year term ends. The three-year run-out option term’s cumulative value is estimated to be \$1,319,000 for a total contract allocation of \$12,945,958. The current contract, FB-00337, is valued at \$13,539,000.00 for a five year and three month term and expires on October 31, 2021. The allocation under the replacement contract is lower than the current contract due to bus routes that were contracted out which has reduced aggregate mileage run on leased tires.

Department	Allocation	Funding Source	Contract Manager
Transportation and Public Works	\$12,945,958	DTPW Operating	Angela Mathews-Tranumn
Total:	\$12,945,958		

Track Record/Monitor

Vanessa Stroman of the Internal Services Department is the Procurement Contracting Manager.

Delegated Authority

If this item is approved, the County Mayor or County Mayor’s designee will have the authority to exercise all provisions of the contract, including any cancellation, run-out options or extension provisions, pursuant to Section 2-8.1 of the County Code and Implementing Order 3-38.

Vendor Recommended for Award

An Invitation to Bid was issued under full and open competition. Two bids were received in response to the solicitation.

Pursuant to Resolution No. R-477-18, the lowest bidder is recommended in accordance with the method of award per the solicitation and is non-local. Tire manufacturers are the only businesses with sufficient resources to produce and continuously supply the large volume of tires needed throughout the term of this contract. As a result, no local or small businesses participated in this solicitation.

Vendor	Principal Address	Local Address*	Number of Employee Residents	Principal
			1) Miami-Dade 2) Percentage*	
Michelin North America, Inc.	One Parkway South Greenville, SC	None	1 0.0000625%	Alexis Garcin

*Provided pursuant to Resolution No. R-1011-15. Percentage of employee residents is the percentage of vendor’s employees who reside in Miami-Dade County as compared to the vendor’s total workforce.

Vendor Not Recommended for Award

Vendor	Local Address	Reason for Not Recommending
The Goodyear Tire & Rubber Company	None	Higher than lowest bid

Due Diligence

Pursuant to Resolution No. R-187-12, due diligence was conducted in accordance with the Internal Services Department’s Procurement Guidelines to determine vendor responsibility, including verifying corporate status and that there are no performance and compliance issues. The lists that were referenced included convicted vendors, debarred vendors, delinquent contractors, suspended vendors, and federal excluded parties. There were no adverse findings relating to vendor responsibility.

Pursuant to Resolution No. R-140-15, prior to re-procurement, a full review of the scope of services was conducted to ensure the replacement contract reflects the County's current needs. The review included conducting market research, posting a draft solicitation for industry comment, and holding meetings and drafting sessions with the user department. The scope of services, specifications and estimated mileage for the next five years were updated to include the purchase of new types of buses.

Applicable Ordinances and Contract Measures

- The two percent User Access Program provision applies.
- The Small Business Enterprise Bid Preference and Local Preference were included in the solicitation, but did not impact the award.
- The Living Wage applies.



Jimmy Morales
Chief Operations Officer



MEMORANDUM
(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: October 5, 2021

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(F)(6)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(F)(6)
10-5-21

RESOLUTION NO. _____

RESOLUTION APPROVING AWARD OF CONTRACT NO. FB-01517 TO MICHELIN NORTH AMERICA, INC. FOR TIRE LEASING FOR THE DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS WITH AN AMOUNT NOT TO EXCEED \$12,945,958.00 FOR THE INITIAL FIVE-YEAR TERM AND THREE-YEAR RUN-OUT OPTION TERM; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO GIVE NOTICE OF THIS AWARD TO MICHELIN NORTH AMERICA, INC., ISSUE THE APPROPRIATE ORDERS TO GIVE EFFECT TO SAME AND EXERCISE ALL PROVISIONS OF THE CONTRACT, INCLUDING ANY CANCELLATION, RUN-OUT OPTIONS OR EXTENSION PROVISIONS, PURSUANT TO SECTION 2-8.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA AND IMPLEMENTING ORDER 3-38

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves award of Contract No. FB-01517 to Michelin North America, Inc. for tire leasing for the Department Transportation and Public Works with an amount not to exceed \$12,945,958.00, over the initial five-year term and three-year run-out option; and authorizes the County Mayor or County Mayor's designee to give notice of this award to Michelin North America, Inc., issue the appropriate orders to give effect to same and exercise all provisions of the contract, including cancellation, renewals or extensions, pursuant to Section 2-8.1 of the Code of Miami-Dade County, Florida and Implementing Order 3-38. A copy of the contract document is on file with and available upon request from the Internal Services Department, Strategic Procurement Division.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Jose "Pepe" Diaz, Chairman	
Oliver G. Gilbert, III, Vice-Chairman	
Sen. René García	Keon Hardemon
Sally A. Heyman	Danielle Cohen Higgins
Eileen Higgins	Joe A. Martinez
Kionne L. McGhee	Jean Monestime
Raquel A. Regalado	Rebeca Sosa
Sen. Javier D. Souto	

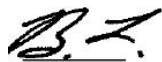
The Chairperson thereupon declared this resolution duly passed and adopted this 5th day of October, 2021. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



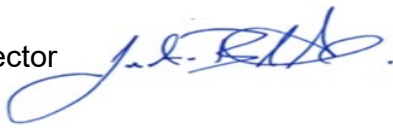
Bruce Libhaber



Memorandum



To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

From: Javier A. Betancourt, Executive Director 

Date: July 30, 2021

Re: CITT AGENDA ITEM 7B:
RESOLUTION BY THE CITIZENS’ INDEPENDENT TRANSPORTATION TRUST
RECOMMENDING THE BOARD OF COUNTY COMMISSIONERS (BCC) APPROVE
AWARD OF CONTRACT NO. FB-01517 TO MICHELIN NORTH AMERICA, INC. FOR
TIRE LEASING FOR THE DEPARTMENT OF TRANSPORTATION AND PUBLIC
WORKS WITH AN AMOUNT NOT TO EXCEED **\$12,945,958.00** FOR THE INITIAL
FIVE-YEAR TERM AND THREE-YEAR RUN-OUT OPTION TERM; AND AUTHORIZE
THE COUNTY MAYOR OR COUNTY MAYOR’S DESIGNEE TO GIVENOTICE OF THIS
AWARD TO MICHELIN NORTH AMERICA, INC., ISSUE THE APPROPRIATE ORDERS
TO GIVE EFFECT TO SAME AND EXERCISE ALL PROVISIONS OF THE CONTRACT,
INCLUDING ANY CANCELLATION, RUN-OUT OPTIONS OR EXTENSION
PROVISIONS, PURSUANT TO SECTION 2-8.1 OF THE CODE OF MIAMI-DADE
COUNTY, FLORIDA AND IMPLEMENTING ORDER 3-38 **(DTPW/ISD – BCC
LEGISLATIVE FILE NO. 211598) SURTAX FUNDS ARE NOT REQUESTED**

On July 29, 2021, the CITT voted (10-0) to forward a favorable recommendation to the Board of County Commissioners (BCC) for the approval of the above referenced item, CITT Resolution No. 21-032. The vote was as follows:

Joseph Curbelo, Chairperson – Aye
Oscar J. Braynon, 1st Vice-Chairperson – Aye
Alfred J. Holzman, 2nd Vice-Chairperson – Aye

Hon. Peggy Bell – Aye
Glenn J. Downing, CFP® – Aye
Paul J. Schwiep, Esq. – Absent
L. Elijah Stiers, Esq. – Aye
Robert Wolfarth – Aye

Meg Daly – Aye
Ashley V. Gantt, Esq. – Absent
Marilyn Smith – Aye
Mary Street, Esq. – Aye

c: Jimmy Morales, Chief Operations Officer
Bruce Libhaber, Assistant County Attorney