



DEPARTMENT OF PUBLIC WORKS

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Waukesha Transit Commission Tire Lease Justification

The Waukesha Transit Commission, like the vast majority of other transit systems, lease vs. purchase tires because it is more cost effective to lease tires. In addition, the leasing company provides many value added services such as repair supplies and disposal of used tires that would be additional costs incurred with a purchase of tires. The tire lease is eligible for 80% federal assistance as it can be considered a capital lease.

The current tire lease contract expires September 30, 2014 and staff conducted an invitation to bid for a five year period starting October 1st. As with past tire lease bids, bidders were asked to provide a per mile lease rate per tire for the five years of the agreement for each of the three tire types the Transit Commission uses. The per mile rates received in the bids were then calculated by the anticipated monthly total number of miles each tire type will be operated. A yearly and five year grand total cost was then calculated as well.

The Transit Commission received bids from three firms: Goodyear, Bridgestone and Michelin. After calculating the bids, it was determined Goodyear's bid was the lowest over the 5 year period and Staff recommends award of the five contract to the Goodyear Tire and Rubber Company. The agreement is subject to the City Attorney's approval. The rates for the five years are listed below. Goodyear is the current tire leasing contractor for the Waukesha Transit Commission

<u>Period</u>	<u>Effective from:</u>	<u>Effective through:</u>	<u>Rate</u>	<u>Rate Group</u>
Year 1	October 1, 2014	September 30, 2015	\$0.007186	A
Year 1	October 1, 2014	September 30, 2015	\$0.005996	B
Year 1	October 1, 2014	September 30, 2015	\$0.002788	C
Year 2	October 1, 2015	September 30, 2016	\$0.007472	A
Year 2	October 1, 2015	September 30, 2016	\$0.006236	B
Year 2	October 1, 2015	September 30, 2016	\$0.002900	C
Year 3	October 1, 2016	September 30, 2017	\$0.007772	A
Year 3	October 1, 2016	September 30, 2017	\$0.006484	B
Year 3	October 1, 2016	September 30, 2017	\$0.003016	C
Year 4	October 1, 2017	September 30, 2018	\$0.008082	A
Year 4	October 1, 2017	September 30, 2018	\$0.006744	B
Year 4	October 1, 2017	September 30, 2018	\$0.003136	C
Year 5	October 1, 2018	September 30, 2019	\$0.008406	A
Year 5	October 1, 2018	September 30, 2019	\$0.007014	B
Year 5	October 1, 2018	September 30, 2019	\$0.003262	C

Rate groups are defined as:

<u>Rate Group</u>	<u># of Vehicles</u>	<u>Make of Bus</u>	<u>Model</u>	<u>Tire Size</u>	<u># of Wheels</u>
A	20	Gillig	Low Floor	B305/85R22.5	Six
A	3	Gillig	Phantom	B305/85R22.5	Six
B	4	Blue Bird	XCEL 102	B305/70R22.5	Six
C	3	Arboc	Spirit Mob	LT225/75R16	Six

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