

MUNICIPALITY OF ANCHORAGE

PURCHASING DEPARTMENT

PHONE (907) 343-4590

P.O. Box 196650

ANCHORAGE, ALASKA 99519-6650

Issue Date	Time and Date of Opening	Buyer	Buyer Phone Number
3/21/23	9:00 A.M. Alaska Time, April 27, 2023	Ryan Marquis	907-343-4590

ADDENDUM No. 2

TO INVITATION TO BID No. 2023B029

DATE ISSUED: April 20, 2023

TITLE: 2023B029 –Provide Lease and Service of Radial Bus Tires to the Municipality of Anchorage, Public Transportation Department

The following changes and/or additions are hereby made to subject Invitation to Bid:

1. **Incorporate Questions & Answers**, identified as Addendum No. 2, dated April 20, 2023.
2. **Replace Specifications** in their entirety with the attached pages, identified as Addendum No. 2, dated April 20, 2023.
3. **Replace Insurance** Pages 8-10 with the attached pages 8-10R, identified as Addendum No. 2, dated April 20, 2023.

All other terms, conditions, and specifications remain unchanged.

An electronic (.pdf) copy of the Invitation to Bid is available at MOA, Purchasing Department’s website; (<http://www.muni.org/Departments/purchasing/Pages/bidding.aspx>). It is your responsibility to periodically check the website for any addenda.

ANY QUESTIONS REGARDING ADDENDUM #1, MUST BE SUBMITTED IN WRITING TO WWPUR@MUNI.ORG BY 5:00 P.M., ALASKA TIME, April 21, 2023. Please reference the Project Title and Invitation to Bid Number.

THIS ADDENDUM MUST BE ACKNOWLEDGED IN SPACE PROVIDED ON BID PROPOSAL SHEET OR SIGNED AND RETURNED TO PURCHASING PRIOR TO TIME SET FOR BID OPENING IN ACCORDANCE WITH ANCHORAGE MUNICIPAL CODE 7.20.020C.

The MOA reserves the right to accept or reject bids. Prices bid must be F.O.B. Destination. The MOA is exempt from Federal Excise Tax. Bids must be submitted to the Purchasing Department prior to time set for opening. Any bids not received by the Purchasing Department prior to that time will not be considered and will be returned. Time of receipt of bids will be as determined by the time stamp in the Purchasing Department, 632 W. 6th Avenue, Suite 520.

Please ACKNOWLEDGE AND RETURN THIS ADDENDUM PRIOR TO THE DATE AND TIME SHOWN ABOVE OR YOUR BID MAY BE REJECTED.

MUNICIPALITY OF ANCHORAGE

Authorized Representative Signature Date



Printed Name

Nikki Martindale
Deputy Purchasing Director

Printed Vendor Name

ITB 2023B029 – Addendum #2 - Questions and Revisions:

1. Period of Performance – Bid Proposal. Page 7 of PDF: Please add the following to the end of the first paragraph: *“In the event of the unavailability of funding, Anchorage, upon termination, will pay for all unused mileage in the relevant tires and take title to such tires “as is”.* **Our terms and language will remain as originally published.**
2. Safety Certification – Section 11 (2023 Bid Specifications and Requirements). Page 13 of PDF: Please add *“applicable”* between *“all”* and *“Federal”* on line 2. **See revised specifications in Addendum 2.**
3. Tire Contract - Section 15 (2023 Bid Specifications and Requirements). Page 14 of PDF: Please add the following as the last sentence under paragraph (A): *“The Lessor shall not be responsible for any warranties or services related to any such test tires from companies other than the Lessor.”* **See revised specifications in Addendum 2.**
4. Removal of Buses from Service - Section 16 (2023 Bid Specifications and Requirements). Page 15 of PDF: Please add the following to the end of this Section: *“PTD agrees that (i) such scrap tires will be used for the sole and exclusive purpose of transporting and storing vehicles from garages to a storage facility, (ii) such scrap tires are provided as-is with no warranties as to the condition or fitness of such tires for continued use, and (iii) PTD assumes all liability for use and possession of scrap tires furnished by the Contractor.”* **See revised specifications in Addendum 2.**
5. Removal of Buses From Service – Section 16 (Bid Specifications and Requirements). Page 16 of PDF. Two Requests:
 - a. Please provide information on any service equipment MOA will provide. **PTD will provide compressed air. Contractor will only provide equipment for use in PTD facility that is defined in Section 22.D of specification. Contractor will only provide and mount scrap tires as needed by PTD.**
 - b. Is a service vehicle available or any access to a mobile air supply? **No. All work will be performed in PTD facility. Contractor will only provide and mount scrap tires as needed by PTD.**
6. Loss and Abuse of Tires – Section 17 (bid Specifications and Requirements) Page 16 of PDF. Please consider utilizing this formula for valuing a tire:

The remaining mileage for original and retread, if applicable, tires shall be determined by multiplying the 32nds of tread rubber remaining on the tire by the cost per 32nd billing rate per tire as shown in the chart below.

CONTRACT FIXED COST PER 32ND (\$) – ORIGINAL

<i>TIRE SIZE</i>		<i>YEAR ONE</i>	<i>YEAR TWO</i>	<i>YEAR THREE</i>	<i>YEAR FOUR</i>	<i>YEAR FIVE</i>

When a tire is not available for inspection to apply the above calculation(s) whether lost, stolen or otherwise missing, or destroyed by fire, or involved in an accident, reimbursement shall not be in excess of fifty percent (50%) of the current value of a similar tire, unless Contractor can provide an auditable accounting of the tire’s accurate mileage just prior to the loss.

See revised specifications in Addendum 2.

7. Tire Services - Section 22(A) (2023 Bid Specifications and Requirements). Page 16 of PDF:

- a. Please advise if service can be performed by a third-party subcontractor. Mounting and Dismounting would be performed offsite along with repairs and other service. **Service can be performed by a 3rd party contractor.**
 - b. Please see the attached [REDACTED] application that could be used for recording tire movement data. This would be utilized by PTD personnel in place of the Contractor's personnel doing inspections. **The proposed application is outside of the scope of this solicitation. All work to occur within the PTD maintenance facility utilizing equipment required in Section 22.D and to be provided by Contractor for use by authorized contract personnel only.**
 - c. If a. and b. are not acceptable, could the Contractor utilize one of PTD's technicians on a part time basis and compensated as such for the services required? We have done this at other transits, and they wouldn't be working for the Contractor during their normal working hours at PTD. **No.**
8. Access to Records – Section 4 (Federal Transit Administration – Contract Provisions). Page 35 of PDF: Please add the following as the last paragraph (i): *“Any access to the contractor’s records and reports pursuant to this Section shall be upon thirty (30) days’ prior written notice, during normal business hours and at the sole cost and expense of the accessing party.”*

FTA Contract provisions will not be changed.

9. Termination Provisions – Section 10 (Federal Transit Administration – Contract Provisions). Page 39 of PDF: Five requests:
- a. Termination for Convenience - Please replace the first sentence with the following: *“Either party may terminate this contract, in whole or in part, at any time by thirty (30) days prior written notice to the other party.”*
 - b. Termination for Convenience - Please add the following to the end of the second sentence: *“along with remaining value of tread on leased tires mounted on buses and in spare stock”*
 - c. Termination for Default [Breach or Cause] - Please add the following as the second paragraph: *“If the Municipality of Anchorage fails to make any payment due or to perform any obligation under this contract, the CONTRACTOR may, at its option and without waiving or limiting any of its other rights or remedies under this contract or at law, declare all of the Municipality of Anchorage’s indebtedness and obligations to the CONTRACTOR to be immediately due and payable and may immediately terminate this contract by giving written notice to the Municipality of Anchorage to that effect. Upon termination of this contract for default by either party, the CONTRACTOR shall be paid its close out costs including the remaining value of tread on leased tires mounted on buses and in spare stock.”*
 - d. Opportunity to Cure – Please replace the first sentence with the following: *“The Municipality of Anchorage shall, in the case of a termination for breach or default, allow the CONTRACTOR thirty (30) days in which to cure the defect.”*
 - e. Opportunity to Cure – Please replace “[ten (10) days]” with *“thirty (30) days”* on line 5.

FTA Contract provisions will not be changed.

10. Breaches and Disputes – Section 15 (Federal Transit Administration – Contract Provisions). Page 43 of PDF: Please replace the language under paragraph (a) (Disputes) with the following: *“The Municipality of Anchorage and the Contractor intend to resolve all disputes under this Contract to the best of their abilities in an informal manner. In the event that a resolution of the dispute is not mutually agreed upon, the parties can agree to mediate the dispute or proceed with litigation. The Contractor shall not be bound by any decision of the Municipality of Anchorage nor shall the Contractor be required to exhaust all administrative remedies before commencing litigation in a court of competent jurisdiction within the state in which the Municipality of Anchorage is located. Notwithstanding any provision of this Section, or any other provision of this Contract, it is expressly agreed and understood that any court proceeding arising out of a dispute under this Contract shall be heard by a court de novo and the court shall not be limited in such proceeding to the issue of whether the Municipality of Anchorage acted in an arbitrary, capricious or grossly erroneous manner.”*

FTA Contract provisions will not be changed.

11. Assignments – Section 8 (Contract Service/Supply). Page 59 of PDF: Please replace the language under this Section with the following: *“Neither party shall delegate any duties or obligations under this contract, nor assign, transfer, convey, sublet, subcontract or otherwise dispose of the contract or its right, duty, title or interest in or to the same, or any part thereof, without previous written consent of the other party.”*

FTA Contract provisions will not be changed.

12. Termination of the Contractor’s Services – Section 13 (Contract Service/Supply). Page 60 of PDF: Two changes:

- a. Please revise point (B) as follows: *“For convenience, by either party, provided that the terminating party notifies the other party in writing, of its intent to terminate under this paragraph at least thirty (30) days prior to the effective date of termination.”*
- b. Please revise point (C) by replacing “fifteen (15) days” with “thirty (30) days” on line 5.

FTA Contract provisions will not be changed.

13. Duties Upon Termination – Section 14 (Contract Service/Supply). Page 60 of PDF: Two changes:

- a. Please replace the first sentence of point (A) as follows: *“If either party terminates the Contractor’s services for convenience, Anchorage shall pay the Contractor for unpaid services rendered to date of termination along with its close out costs including the remaining value of tread on leased tires mounted on buses and in spare stock.”*
- b. Please replace the first sentence of point (B) as follows: *“If the Contractor’s services are terminated by either party for cause, Anchorage shall pay the Contractor for all contractual services satisfactorily rendered prior to termination along with its close out costs including the remaining value of tread on leased tires mounted on buses and in spare stock less any damages suffered by Anchorage because of the Contractor’s failure to perform satisfactorily.”*

FTA Contract provisions will not be changed.

14. Indemnity – Section 16 (Contract Service/Supply). Page 61 of PDF: Two changes –

- a. Please delete “allegedly” from line 2.
- b. Please add the following as the second and third paragraphs: *“The Municipality shall indemnify, keep and save harmless the Contractor, its directors, members, agents, officers, and employees, for all losses arising from or in connection with third-party claims of injury, death, or tangible property damage, to the extent that such losses are caused by the negligence or wilful misconduct of the Municipality, its agents or employees.”*

15. *Notwithstanding any other provision of this Contract to the contrary, in no event shall either party be liable for any loss of actual or anticipated profits, loss of anticipated business, downtime costs or delay claims (whether direct or indirect), nor for any other special, indirect, incidental, or consequential damages arising out of, relating to, or in any way connected with this Contract or the provision of tires and/or services, whether based in warranty, contract, tort, negligence, strict liability, or otherwise.”*

FTA Contract provisions will not be changed.

16. Storage of Spare Tires Please confirm size of storage area, racks, and workspace.

Section 8a defines there is adequate area within our facility for work area, storage racks and space. Generally, there are four (4) two-tier tire racks for storage, an area approximately 25’x 20’ for the contractor equipment, and an area approximately 40’ x 30’ for tire staging. Pictures are included in this addendum.

17. Rates Please confirm that; should a new tire size or vehicle group be added to the contract; that new rates would be negotiated. **Agreed. Would constitute a change from the presented vehicles and tire specification.**

18. Tire Services As some wheels require specific cleaning methods, please confirm if there are any specific cleaning methods for PTD's wheels. Contractor will use PTD-provided pressure washer and light detergent to remove road grime and dirt from rim surfaces and use methods to remove residual rubber remnants from sealing surface of rims to provide a consistent seal.

19. Tire Services Are any air compressors needed? No. The PTD has plumbed compressed air within the facility and tire service area.

20. Termination Provisions Please consider making these provisions mutual.

These provisions will not be changed.

21. Indemnity. Please consider including the below language:

Contractor agrees to indemnify and hold harmless the Buyer from and against any and all damages and liabilities, including reasonable attorneys' fees, which arise out of injury or damage proximately caused by defective workmanship or materials in Products manufactured by Contractor and sold to Buyer pursuant to this Agreement. Notwithstanding the foregoing, Contractor shall not be liable for any damages and liabilities to the extent caused by the misuse or abuse of the Product(s) or Buyer's negligence.

The provisions recommended revision above will not be adopted. Original language remains the same.

22. Insurance Commercial General Liability: Please remove "product." Contractor is self-insured for products and will need to remove product liability

We cannot remove the requirement. If the bidder is self-insured for product liability they can note that on the COI.

23. Special Provisions. Item 7. Please consider electronic submittal by email for this bid. REASON: Most transit systems have moved to electronic submittal either through a third-party system or email. This eliminates delivery issues by third-party carriers. Municipal Code requires hand-delivered or mailed bids only.

24. Insurance. Please confirm self-insured retentions may be utilized for Commercial General Liability. REASON: The major corporations that participate in tire leasing utilize self-insured retentions for this coverage. A letter of self-insurance can be provided upon request.

Self-insured retentions may be utilized for Commercial General Liability so long as a letter of self-insurance is provided. Advise of any excess insurance policies, their terms, and limits.

25. Insurance. Additional Insured. Please modify as follows:

The Municipality of Anchorage will be listed as an additional insured on all General and Auto Liability policies required by this contract, when coverage is met through an insurance policy. All policies will contain a waiver of subrogation against the Municipality, except Professional Liability. All policies Coverage will remain in effect during the life of the contract. The Contractors insurance certificate will also indicate the Municipality of Anchorage as a certificate holder of the policy.

Insurance terms will not be modified.

26. Insurance. Workers Compensation. Please modify as follows:

The Contractor will purchase and maintain during the life of this contract, workers compensation insurance for all employees who will work on this project and, if any work is sublet, the Contractor will require the subcontractor similarly to provide such insurance. Employers' Liability with a minimum limit of \$500,000 will be maintained and Workers Compensation with minimum limits as required by Alaska State Workers Compensation Statutes. The policy will contain a waiver of subrogation against the Municipality.

Insurance terms will not be modified.

27. Insurance. General Liability. Please confirm subcontractors can carry separate coverage at the limits specified.

Subcontractors may carry separate coverage at the limits specified.

28. Insurance. Coverages. Errors and Omissions. Please confirm Errors and Omissions/Professional Liability is not applicable to this procurement.

Professional Liability/Errors & Omissions policy is not required for this contract.

29. Insurance. Please modify the last paragraph as follows:

Each insurance policy required by this section will require the insurer to give advance notice to the MOA/Contract Administrator prior to the cancellation of the policy. IF the insurer does not notify the MOA upon policy cancellation, it will be the Contractor's responsibility to notify the MOA of such cancellation. Insurance. Please modify the last paragraph as follows:

Revision made to this section. See Addendum 2.

30. 2023 Bid Specifications and Requirements. 15. Tire Contract. Please modify paragraph C. as follows:

Upon mutual agreement between both parties, the term of this contract may be extended for four two additional one (1) two (2) year periods at the same unit prices as bid for year three, subject to the availability of funding by PTD. **Original language will remain unchanged.**

31. Bid Specification. 17. Loss and Abuse of Tires. Please modify Paragraph A as follows:

If any tires are lost, sold, or stolen from buses or garages, or are damaged or destroyed by fire, collision or accidents (other than cuts, bruises, etc., encountered in normal operation), the Municipality will reimburse Lessor for such tires by paying for any mileage remaining on thereon at the rental rate then in effect. The remaining mileage will be computed by ascertaining the net average tire mileage for the last six (6) twelve (12) months period less the accumulated mileage on the damaged tire to determine the unused mileage. **This section has been modified. See Addendum 2.**

INSURANCE

By submitting a bid, the bidder agrees, if they are the successful bidder, to obtain and maintain the insurance required by this section. The bidder also agrees to provide the Municipality a copy of their Certificate of Liability Insurance prior to signing the contract and prior to commencement of any work under this contract.

GENERAL: The Contractor will not allow any subcontractor to commence work until the subcontractor has obtained insurance as listed in this section. The contractor and each subcontractor will maintain this insurance throughout the life of this contract, including any maintenance and/or guarantee/warranty period. The contractor will obtain separate insurance certificates for each contract.

ADDITIONAL INSURED: The Municipality of Anchorage will be listed as an additional insured on all General and Auto Liability policies required by this contract. All policies will contain a waiver of subrogation against the Municipality, except Professional Liability. All policies will remain in effect during the life of the contract. The Contractor's insurance certificate will also indicate the Municipality of Anchorage as a certificate holder of the policy.

WORKERS COMPENSATION: The Contractor will purchase and maintain during the life of this contract, workers compensation insurance for all employees who will work on this project and, if any work is sublet, the Contractor will require the subcontractor similarly to provide such insurance. Employers' Liability with a minimum limit of \$500,000 will be maintained and Workers Compensation with minimum limits as required by Alaska State Workers Compensation Statutes. The policy will contain a waiver of subrogation against the Municipality.

NOTICE TO "OUT-OF-STATE" CONTRACTORS WORKING IN ALASKA: The Contractor will provide evidence of Workers Compensation insurance, either State of Alaska Workers Compensation coverage or an endorsement to the Contractor's home state Workers Compensation policy, evidencing coverage for "other states" including Alaska, prior to execution of a contract or, if approved, before commencement of contract performance in Alaska.

GENERAL LIABILITY: The Contractor will purchase and maintain, in force, during the life of this contract such general liability insurance as will protect the Owner and the Contractor against losses which may result from claims for damages for bodily injury, including accidental death, as well as from claims for property damages which may arise from any operations under this contract whether such operations be those of the Contractor, a subcontractor or anyone directly or indirectly employed by either of them.

<u>Commercial General Liability</u>	<u>Minimum Limits</u>
Products/Completed Operations	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Medical Payments	\$5,000
<u>Commercial Auto Liability</u>	<u>Minimum Limits</u>
Combined single limit (Bodily Injury and Property Damage)	\$1,000,000
Including all owned, hired, and non-owned	
<u>Workers Compensation and Employers Liability</u>	<u>Minimum Limits</u>
Per Alaska statute	\$500,000
<u>Errors and Omissions</u>	<u>Minimum Limits</u>
Professional Liability (Not required unless limits appear in space provided)	limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
<u>Umbrella Liability</u>	<u>Minimum Limits</u>
(Not required unless limits appear in space provided)	
\$	S.I.R.

Each insurance policy required by this section will require the insurer to give advance notice to the MOA/Contract Administrator prior to the cancellation of the policy, if possible. If the insurer does not notify the MOA upon policy cancellation, it will be the Contractor's responsibility to notify the MOA of such cancellation.

COMPLIANCE WITH LAWS

The Contractor will observe and abide by all applicable laws, regulations, ordinances and other rules of the State of Alaska and/or any political subdivisions thereof, or any other duly constituted public authority wherein work is done or services performed, and further agrees to indemnify and save the Municipality of Anchorage harmless from any and all liability or penalty which may be imposed or asserted by reason of the Contractor's failure or alleged failure to observe and abide thereby.

(Remainder of Page Initially left Blank)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) will be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS								
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$								
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULE D AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$								
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS- DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE Y / N <input type="checkbox"/> N / A OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">WC STATUTORY LIMITS</td> <td style="width: 50%;">OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA	\$	E.L. DISEASE - POLICY LIMIT	\$
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E.L. EACH ACCIDENT	\$														
E.L. DISEASE - EA	\$														
E.L. DISEASE - POLICY LIMIT	\$														

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

1. The Municipality of Anchorage is an additional insured on Auto and General Liability policies. All policies, including workers compensation, contain a WAIVER OF SUBROGATION against the Municipality, except Professional Liability, .
2. CANCELLATION: "Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the Policy Provisions."

CERTIFICATE HOLDER

CANCELLATION

	<p style="text-align: center;">SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>Authorized Representative</p>
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MUNICIPALITY OF ANCHORAGE

Public Transportation Department

2023 BID SPECIFICATIONS AND REQUIREMENTS FOR LEASE AND SERVICE OF PUBLIC TRANSIT RADIAL BUS TIRES

1. GENERAL CONDITIONS

- A. Tire Lessor must show current and past performance attained with comparable sized commercial fleets providing tire mounting, tire removal, siping and tire and wheel balancing. Must also present ability to acquire tire casings from external sources and have ability to provide specified style of recapped drive tires in quantities required for large commercial fleets. Provide references with names and phone numbers for relative past and current fleet tire services.
- B. The tires and all materials used in the manufacture of the tires furnished under this bid shall conform to all applicable laws and regulations for State of Alaska and the United States Government as well as the manufacturer's vehicle requirements.
- C. No advantage shall be taken by the Lessor or Sub-lessor in the furnishing of tires, whether the same is manufactured by the Lessor or purchased, ready-made, from a source outside the Lessor's company.
- D. No advantage shall be taken by the Lessor or Sub-lessor in the omission of any part or detail that goes to make the tires complete and ready for service.
- E. It is understood that a tire means a casing for a tubeless tire; and a bus means any vehicle of sixteen or more passengers carrying capacity designed for operation on pneumatic tires and used publicly for the transportation of passengers.

2. PRICE FOR LEASE OF TIRES

The price quoted in any proposal submitted shall include all items of labor, equipment, materials, and other costs necessary to fully equip and maintain all tires required by the Public Transportation Department (PTD) for its buses pursuant to these specifications. Any items necessary for the furnishing and maintenance of such tires shall be considered a portion of such equipment, although not directly specified or called for in these specifications.

The price quoted shall be stated on a per-mile, per-tire basis for the furnishing of six (6) tires per bus. The same price per mile shall also apply to mileage accumulated by recapped tires, if any.

3. RECORD KEEPING

- A. All tires shall be marked by the Lessor prior to delivery with unique individual branding on both sides for record keeping purposes.

- B. Lessor shall keep all records of tire transfers, tire mileage, and such other records necessary or required, and provide computerized reports to PTD monthly. These reports shall include:
 - 1. Original tread accumulated mileage performance by tire group for tires removed from service during that period.
 - 2. The average tire mileage for each specific type of tire in the PTD fleet.
 - 3. A productivity report incorporating:
 - a. All tires removed from service, separating tires affecting the average and tires not affecting the average. Identify cause of failure or damage for any tire retired with useful tread in excess of the limits defined.
 - 4. Monthly tire loss report based on counts and annualized inventories, except new vehicle delivery loss, in which case loss claim must be presented within sixty (60) days of loss.
- C. PTD will record the mileage for each bus and shall furnish to the Lessor on or before the 10th day of each month for all mileage accruing during the previous month. These reports will be used by the Lessor in computing the monthly statement.

4. TIRES FURNISHED

- A. All tires initially furnished shall be new (New retreads are acceptable) and all tires furnished shall meet all applicable Federal and State laws and as well as the manufacturer's vehicle requirements. All tires shall be *special* transit radial mileage tires and be capable of being recapped and shall be rated for legal highway speed in Alaska (currently top speed is 65 MPH). Tires that resist sidewall damage, provide enhanced toughness and long tread life. Tires shall have sidewall wear indicators to help reveal excessive scuffing.
- B. Recap tires may be used only on the rear axle of transit buses and such recap tires shall be properly mated in a condition suitable to PTD. All recap tires shall comply with all applicable Federal and State laws and regulations as well as the vehicle manufacturer's requirements.
- C. Cost for recapping tires shall be borne by the Lessor.
- D. All tires for the front axle shall be the same manufacturer, tread design and size.
- E. All tires for the rear axle shall be the same manufacturer, tread design and size.
- F. All tires (original tread and recapped) on all wheel locations shall be siped.
- G. Existing branding shall be strikethrough/strikeout the old branding number, and new tire brand applied away from outer edge of tire to preserve in event of curb wear on sidewall.

5. BONUS

A bonus arrangement shall be proposed by the bidder setting forth full and complete details for the computation of such bonus. The bonus clause will be attached to this document and become a part of this agreement. Bonus proposal shall be submitted with bid to be considered.

6. 36-MONTH RUN-OUT PERIOD

PTD intends to invoke the 36-month run-out option on its present mileage leased tires with the Goodyear Tire and Rubber Company. It will be the intent to run these tires out as quickly as possible. PTD currently leases all tires used on its bus fleet.

(NOTE: Should the incumbent contractor be the successful bidder, this section is not applicable.)

7. DELIVERY

A. All tires furnished for the use on this contract shall be delivered to the Municipality's PTD maintenance facility located at 3701 Dr. Martin Luther King Jr. Avenue, Anchorage, Alaska and all freight or delivery charges shall be paid for by the Lessor.

B. The Lessor shall also furnish spare tires mounted on rims in quantities defined in Section 22.

8. STORAGE OF SPARE TIRES

A. PTD will furnish adequate storage space, storage racks, and workspace for the storage and maintenance of tires used on its buses.

B. The Lessor will keep the work area and storage area clean and always maintain good housekeeping and safe work practices.

C. The unloading, loading, and storage of tires will be the responsibility of the Lessor.

9. PATENTS

The Lessor shall agree to save, keep harmless and fully indemnify the Municipality and all its employees or agents from all damages, costs, or expenses in law and equity, that may at any time arise, or be set up, for any infringement or the patent rights of any person or persons in consequence or the use by the Lessor or by any of its employees or agents, or articles supplied under this proposal or contract, arising from bids submitted and of which the Lessor is not lawfully entitled to lease or sell. The Municipality will give to the manufacturer prompt notice in writing of the institution of any suit or proceeding and permit the Lessor, through their counsel, to defend same and will give all needed information, assistance, and authority to enable Lessor to do so.

10. TITLE TO TIRES

Ownership and title to the leased tires shall remain with the Lessor unless purchased by PTD.

11. SAFETY CERTIFICATION

The successful bidder will furnish written certification that all tires provided under the contract will comply with all applicable Federal, State, and Local Laws as well as the vehicle manufacturer's requirements.

12. DESCRIPTION OF PUBLIC TRANSPORTATION BUSES

Following is a description of the revenue buses presently in service:

<u># of Units</u>	<u>Year, Make & Model</u>
1	1998 New Flyer D40LF
18	2008 New Flyer D40LF
14	2010 New Flyer D40LFR
8	2011 New Flyer D40LFR
8	2013 New Flyer D40LFR
<u>11</u>	<u>2022 New Flyer Xcelsior 40'</u>
Total	60
*12	2023 New Flyer Xcelsior 40'

***New Buses anticipated to be delivered by end of October, 2023.** Initial tires for these buses will need to be sent to manufacturer to facilitate transport to Anchorage, Alaska for revenue service. Approximately four (4) existing buses will be retired from our fleet when new buses enter service. Tire size is 305/70R22.5 Tubeless Type; Radial Ply mounted on aluminum rims.

13. ADDITIONAL BUSES

Although lead times are commonly set by the vehicle manufacturer, PTD will attempt to provide Lessor with sixty (60) days written notice of acquisition for any buses (purchased/leased) to be secured during this agreement.

14. TIRE TYPE

Tires furnished shall be special city-suburban, radial transit mileage tires (G652 RTB or approved equal) and capable of being recapped, if possible. The tires must be capable of short runs, not to exceed 20 miles, at the maximum posted speed limit of 65 MPH. All tires must be "siped" on all wheel locations to provide added traction. Tires used on the rear of the buses at a minimum during the winter months (minimum October 1 – May 1) must be a "gripper", deep open-lug tread design (Endurance TSD or approved equal). Tires shall be rated to match or exceed the vehicle manufacturer's recommended load range.

15. TIRE CONTRACT

- A. PTD will award the tire lease contract to one (1) supplier to be used on its buses during the term of the contract. However, PTD reserves the right to test special mileage commercial tires other than the Lessor's on not more than five (5%) percent of its fleet. The Lessor shall not be responsible for any warranties or services related to any such test tires from companies other than the Lessor.
- B. The term of the contract to be awarded (subject to the availability of funds) will be for a period of five (5) years commencing on the date of award.

- C. Upon mutual agreement between both parties, the term of this contract may be extended for two additional two (2) year periods, subject to the availability of funding by PTD.
- D. PTD shall reserve the right to exercise a 36-month "run-out" option upon thirty (30) days written notice prior to the expiration of the contract.
 - 1. Upon the expiration of the term of the Contract, as extended and amended, and only in the event PTD wishes to change supplier, PTD has the right to further extend said Contract and continue to use all tires furnished by Contractor under such Contract in PTD's possession upon the expiration date for a period of 36 months.
 - 2. All terms, conditions, and provisions of said Contract, as previously amended and extended, shall remain in full force and effect during said 36-month period, except that Contractor shall be relieved of any requirements to furnish PTD with service, tires or repair material during said 36-month period unless requested by PTD and agreed to by Contractor.
 - 3. The rate or rates per tire mile in effect during such 36-month period shall be the rate or rates in effect for the six-month period immediately preceding the commencement date of such 36-month period. Tires mounted on buses retired or sold will meet minimum DOT specs for tread wear as defined in Section 16. The Lessor will provide a rate for minimum life tires in the bid schedule to be used by PTD for retired buses only.
 - 4. It is understood PTD shall continuously use such tires insofar as practicable, on its highest mileage runs until such tires are rendered permanently unfit for service during said 36-month period.
 - 5. Upon the expiration of said 36-month period, PTD shall pay for any then unused mileage remaining in such tires (supplied by Contractor pursuant to the Contract) at the rate set forth in Paragraph D (3) above. PTD will acquire each such serviceable used tire, as is, and Contractor makes no warranties as to the fitness for continued use of such tires. The amount of the unused mileage for each tire shall be difference between the average mileage secured from similar tires permanently removed from service during the six-month period and the mileage run by a particular tire through the expiration date of the 36-month period.

16. REMOVAL OF BUSES FROM SERVICE

When a bus is sold or removed from service for any reason, tires shall be removed from said vehicle by the Contractor and retained for future service. Scrap tires, if available, supplied by Contractor at no charge, shall be used for surplus buses. Contractor shall make every effort to use such scrap tires. In the event that such tires are in unsafe or unusable condition or are not of a size or type that can be utilized, PTD will reimburse the Contractor for tires as proposed by the Contractor in the "Tires used for surplus buses" section of "Bid Proposal". When possible, PTD will provide thirty (30)

days advance notice when buses are to be removed from service. PTD agrees that (i) such scrap tires will be used for the sole and exclusive purpose of transporting and storing vehicles from garages to a storage facility, (ii) such scrap tires are provided as-is with no warranties as to the condition or fitness of such tires for continued use, and (iii) PTD assumes all liability for use and possession of scrap tires furnished by the Contractor.

17. LOSS AND ABUSE OF TIRES

A. If any tires are lost, sold, or stolen from buses or garages, or are damaged or destroyed by fire, collision, or accidents (other than cuts, bruises, etc., encountered in normal operation), PTD will reimburse Lessor for such tires by paying for any mileage remaining on thereon at the rental rate then in effect. The remaining mileage will be computed by ascertaining the net average tire mileage for the last twelve (12) months period less the accumulated mileage on the damaged tire to determine the unused mileage.

The remaining mileage for original and retread, if applicable, tires shall be determined by multiplying the 32nds of tread rubber remaining on the tire by the cost per 32nd billing rate per tire as shown in the chart below.

CONTRACT FIXED COST PER 32ND (\$) – ORIGINAL

<i>TIRE SIZE</i>		<i>YEAR ONE</i>	<i>YEAR TWO</i>	<i>YEAR THREE</i>	<i>YEAR FOUR</i>	<i>YEAR FIVE</i>

When a tire is not available for inspection to apply the above calculation(s) whether lost, stolen or otherwise missing, or destroyed by fire, or involved in an accident, reimbursement shall not be in excess of fifty percent (50%) of the current value of a similar tire, unless Contractor can provide an auditable accounting of the tire’s accurate mileage just prior to the loss.

B. If PTD damages tires through negligent or improper use, curbing, running flat, improper wheel alignment, improper adjustment of brakes, PTD will reimburse Lessor by paying for any mileage remaining thereon at the lease rate then in effect. The unused mileage will be computed as set forth in Paragraph A of this Section.

C. Lessor and their contractor shall provide PTD an opportunity to inspect and verify unusable tires, wheels, or recap cores prior to disposal of asset as well as the reason for disposition.

18. DISPOSITION OF TIRES

Lessor, at their expense, shall be responsible for proper disposal of all tires and appurtenances rendered unfit for service and permanently removed from buses.

19. TAXES

The Municipality is exempt from payment of all taxes and taxes must not be included in proposal rates. Necessary exemption certificates shall be furnished to the successful bidder upon award of

this contract and as needed thereafter.

20. TIRE RATES

PTD requests a fixed rate per tire, per mile quoted for each year of the contract. Therefore, prices quoted in this bid shall be firm for the life of the contract.

21. PROJECTED ANNUAL MILEAGE

The projected annual mileage for the entire PTD fleet is 2.2 million miles.

22. TIRE SERVICES

A. Lessor agrees to furnish at its expense, a qualified tire service technician, to perform contracted services at PTD's facility. The technician will be a regular or contracted employee of the Lessor, who shall under the Lessor's direction and under the general supervision of PTD's supervisory personnel of the Maintenance Division, service all tires furnished by the Lessor. Lessor will submit a proposal on the number of man hours per week and work schedule required to perform the duties listed in Section 22, Part B.

1. Weekly service priorities shall be defined by PTD and communicated to the Lessor via email or during coordination meetings.
2. Contractor shall comply with PTD's operational schedule, including holidays.
3. Contractor shall provide an alternate service person to cover extended absences by primary tire service technician due to illness or injury within seven (7) business days.

B. Lessor will mount and dismount all tires from wheels at PTD's facility, make all necessary repairs to tires, and valves, dynamically balance tires (balancing only necessary for those tire/wheel assemblies to be installed on front axle), inspect and dress wheel rim flange per rim manufacturer instructions, and perform any and all other service that might be required for good tire maintenance that are within Lessor's scope of tire servicing. Lessor's tire service technician will also be responsible to thoroughly clean all wheels prior to mounting and balancing. PTD personnel will be responsible for installing/removing tires from the buses, staging tires in a designated area, and minor inflation (<20% of max pressure) of tires mounted on buses. Work performed offsite of the PTD facility shall be recorded with a chain of custody form defining quantity and description of PTD assets that are taken offsite, including but not limited to tires and wheels. Forms must be reviewed and approved in advance by authorized PTD personnel.

C. Lessor will maintain 20% minimum quantity of additional mounted and balanced bus tires to ensure that PTD has adequate spares for uninterrupted operation of its' fleet.

1. 48 drive and 24 steer for fleet >=60 buses

D. PTD will furnish a suitable work and tire storage area with the necessary utilities for Lessor to perform the required tire maintenance and tire servicing. Lessor shall be responsible for

providing all safe and efficient tire servicing machines and tools at their own expense to meet the terms of this contract. The required tools/machines include, but are not limited to:

1. TTC305, or NextGen Ranger R26FLT HD Truck Tire Changer, or approved equivalent,
 - i. Use of hammer to break tire bead is prohibited.
 2. Tire Inflation Safety Cage,
 3. Tire Siping Tool
 4. HD Truck Tire Dynamic Wheel Balancer.
 - i. Voltage within the maintenance shop is primarily 480 volts
- E. The Lessor shall be responsible for furnishing all supplies and materials required to meet the terms and conditions of these specifications. Includes, but is not limited to:
1. proper wheel balance weights, patching, plugs, and tire repairing supplies.
 2. **new** valves and stems will be installed with **each** tire change.
- F. The Lessor must prepare weekly:
1. A report summarizing tire services provided for the preceding week.
 2. A weekly survey of all bus tires to identify tread depth, air inflation (PSI), and sidewall wear. Buses with tires in critical wear or under-inflation will be flagged in report.
 3. All tires for the front axle shall not have a tire size mismatch greater than plus or minus 14%. Report match sets on buses that are greater than 14% tread depth difference.
 4. All tires for the rear axle shall not have a tire size mismatch greater than plus or minus 14%. Report match sets on buses that are greater than 14% tread depth difference.
- G. The Lessor's tire service representative must maintain a current contact phone and email with the PTD Contract Administrator.
1. Lessor's tire service representative must participate in regular contract coordination meetings scheduled by the PTD Contract Administrator.
 2. Lessor's tire service representative shall visit the MOA maintenance facility at least bi-annually to review contracted tire operations unless otherwise approved in writing by the PTD Contract Administrator.
- H. The Lessor must provide PTD with a substitute qualified tire service technician when the regular tire service technician is not available (i.e., vacation, illness, etc.). A replacement is not required for an absence due to casual illness not to exceed two (2) workdays in duration.
- I. Lessor must have a substance abuse testing program in compliance with 49CFR Parts 40 and 655. The program must include pre-employment, reasonable suspicion, post-accident, return to work and follow up testing, and random testing provisions. Lessor's tire service representative must be subject to all provisions of the program. A copy of the Lessor's substance abuse policies and procedures must be provided to PTD's Contract Administrator.

23. UNUSED TREAD

- A. PTD will not be responsible to pay for unused tread on a damaged recap tire except as outlined

in 17A and 17B.

- B. The Lessor shall not put back into service any tire in the drive position that is below 4/32 of an inch tread depth. Drive tires will not be retired from use until they reach the minimum US DOT requirements of 3/32 of an inch unless flat or otherwise unserviceable. PTD will not be responsible to pay for the unused 3/32 of an inch.
- C. The Lessor shall not put back into service any tire in the steer position that is below 6/32 of an inch tread depth. Tires will not be removed from the steer axle until they reach the minimum US DOT requirements of 4/32 of an inch unless flat or otherwise unserviceable.
 - a. Tires removed from the front axle before tread depth has diminished to 4/32 of an inch may be used in a drive position to utilize the remaining tread if the tire is otherwise suitable for service.

24. FTA PROVISIONS

Bidders must comply with all applicable FTA Regulations and Certifications as contained within this bid package. Buy America Certification must be completed and returned with the bid proposal.