

APR-19-2010 MON 08:57 AM BFNT Mileage Sales Dept
 Apr. 16. 2010 2:42PM

FAX NO. 3303796637

No. 9:09 P. 2

P. 01

City and County of San Francisco
 Office of Contract Administration
 Purchasing Department
 City Hall, Room 430
 1 Dr. Carlton B. Goodlett Place
 San Francisco, CA 94102-4685



Contract Modification 1

[Tire Lease and Associated Services]

Bridgestone Americas Tire Operations
 Janet Bragg
 1200 Firestone Parkway
 Akron, OH 44317
 E-mail: BraggJanet@bfusa.com

Date: 04-13-2010
 Buyer Name: Paul Hootman
 Term contract: 71205
 City Blanket No. BPSF00003534
 Type: Indefinite quantity
 Not-to-exceed amount: \$5,000,000.00

The history of this contract and its modifications is as follows:

<u>Modification</u>	<u>Start Date</u>	<u>End Date</u>	<u>Amount</u>
Original contract	04-01-09	03-31-14	\$5,000,000.00
Modification 1	04-01-10	03-31-14	\$5,000,000.00

This modification 1 changes the contract as follows:

It modifies the pricing as follows:

Second year pricing:

<u>Item</u>	<u>Tire Size</u>	<u>Est. Miles</u>	<u>Original Unit Cost/ Per Mile Rate</u>	<u>adj %</u>	<u>New Unit Cost/ Per Mile Rate</u>	<u>Total Estimated Cost Per year</u>
5.	12R225	81,962,016	\$.007817/mile	-5.6	\$.007379/mile	\$604,797.72
6.	315 80R225	43,812,576	\$.007817/mile	-5.6	\$.007379/mile	\$323,293.00
7.	30S 70R225	17,790,912	\$.006927/mile	-5.6	\$.006539/mile	\$116,334.77
8.	Monthly service charge		\$65,158.57/mo.	2.1%	\$66,526.90/mo.	\$798,322.80
Total est. cost for second year						\$1,842,748.29

All other terms and conditions remain the same.

Approved by the City:

BE
4/15/10

Naomi Kelly, Director of OCA and Purchaser

Date

4-15-10

Approved by Contractor:

Signature

Date

April 19, 2010

Name and title

Kurt Danielson, Vice President - Sales & Marketing

Sign and return one original. The duplicate original is for your files.

P-280 (11/20-09)

City and County of San Francisco
Office of Contract Administration
Purchasing
1 Dr. Carlton B. Goodlett Place, Room 430
San Francisco, CA 94102-4685



CONTRACT AWARD

Indefinite Quantity

Bridgestone Americas Tire Operations, LLC
Attn: Seth F. Walters
1200 Firestone Parkway
Akron, OH 44317-0001

Date: April 6, 2009

Contract Proposal No.: 71205

Type: Indefinite Quantity

Not-To-Exceed Amount: \$9,200,000

The City and County of San Francisco does hereby accept your offer to furnish the articles indicated below. Such Articles are to be delivered in the manner and the form and at the times and prices set forth in the above numbered Contract Proposal, but only after receipt of order properly certified by the Controller of the City and County of San Francisco.

For furnishing and delivering **Tire Lease & Associated Services – Muni Coach & Trolley.**

For the term **April 1, 2009 through March 31, 2014.**

Items: All
Payment Terms: Net 30

The Contract Award incorporates the attached Bid Addendum No. 1 and the following Bid and Contract Conditions. (See Attachment "A").

- 14. Guaranteed Maximum Costs
- 15. Taxes

The following Special Conditions has been modified. (See Attachment "A").

- 74. Scope of Services To Be Performed

Acknowledge receipt and acceptance of this Contract Award in the space below. Return to Purchaser, 1 Dr. Carlton B. Goodlett Place, Room 430, San Francisco; CA, 94102-4685. **DUPLICATE COPY IS FOR YOUR FILES.**

Bill Donof 4-7-09
As the duly appointed Purchaser Date
of the City and County of San Francisco

RECEIVED
PURCHASER'S DEPARTMENT
APR 14, PM 3:02

RECEIPT OF THE ABOVE IS HEREBY ACKNOWLEDGED:

Contractor *Bridgestone Americas Tire Operations LLC*

By *Seth Walters*, *Gen MGR*
Signature Title

Print Name *SETH F. WALTERS*

Date *4/13/09*

The following Bid and Contract Conditions have been modified to read as follows:

14. GUARANTEED MAXIMUM COSTS

- A. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. The maximum guaranteed cost of this agreement shall be nine million two hundred thousand dollars (\$9,200,000). This amount can only be changed by a written agreement of amendment executed by both parties.
- B. Except as may be provided by City ordinances governing emergency conditions, the City and its employees and officers are not authorized to request Contractor to perform services or to provide materials, equipment and supplies that would result in Contractor performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies agreed upon in the contract unless the contract is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. The City is not required to reimburse Contractor for services, materials, equipment or supplies that are provided by Contractor which are beyond the scope of the services, materials, equipment and supplies agreed upon in the contract and which were not approved by a written amendment to the agreement having been lawfully executed by the City.
- C. The City and its employees and officers are not authorized to offer or promise to Contractor additional funding for the contract which would exceed the maximum amount of funding provided for in the contract for Contractor's performance under the contract. Additional funding for the contract in excess of the maximum provided in the contract shall require lawful approval and certification by the Controller of the City. The City is not required to honor any offered or promised additional funding for a contract which exceeds the maximum provided in the contract which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.
- D. Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

15. TAXES

- A. On each tire delivered, the parties will each pay any sales or use tax and/or any new tire fee that is required by California law.
- B. Contractor recognizes and understands that this Contract may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Contract entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:
 - (1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and

assigns, may be subject to real property tax assessments on the possessory interest;

- (2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Contract may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Contract. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.
- (3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.
- (4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

74. SCOPE OF SERVICES TO BE PERFORMED, A. (iii)

- (iii) Lessor shall furnish labor to balance front tires; the City will furnish equipment and materials for balancing. Lessor shall mount a reasonable number of tires as determined and directed by Muni on spare rims or wheels in order that a sufficient reserve of mounted spare tires shall be available at all times. Lessor shall inspect toe-in alignment and advise SFMTA of defective mechanical condition in writing when replacing or rotating front tires. If the City has not responded within fifteen (15) calendar days after written notification of the Lessor's claims of mechanical problems the Lessor may request an adjustment for unacceptable wear.