



AGREEMENT PURSUANT TO SOLICITATION
CITY OF MESA AGREEMENT NUMBER 2019209
VEHICLE TIRES, ACCESSORIES AND RELATED SERVICES

CITY OF MESA, Arizona (“City”)

Department Name	City of Mesa – Purchasing Division
Mailing Address	P.O. Box 1466
	Mesa, AZ 85211-1466
Delivery Address	20 East Main St, Suite 400
	Mesa, AZ 85201
Attention	Brandy Andersen, Procurement Officer
E-Mail	Brandy.Andersen@mesaaz.gov
Phone	(480) 644-6426
Fax	(480) 644-2655

AND

MICHELIN NORTH AMERICA, INC., (“Contractor”)

Mailing Address	One Parkway South
	Greenville, SC 29615
Remit to Address	One Parkway South
	Greenville, SC 29615
Attention	John Cook, Government Sales Contract Manager
E-Mail	John.cook@michelin.com
Phone	864-313-5120

CITY OF MESA AGREEMENT PURSUANT TO SOLICITATION

This Agreement pursuant to solicitation ("Agreement") is entered into this 18th day of November, 2019, by and between the City of Mesa, Arizona, an Arizona municipal corporation ("City"), and Michelin North America, Inc. a New York company ("Contractor"). The City and Contractor are each a "Party" to the Agreement or together are "Parties" to the Agreement.

RECITALS

- A. The City issued solicitation number **2019209** ("Solicitation") for **VEHICLE TIRES, ACCESSORIES AND RELATED SERVICES**, to which Contractor provided a response ("Response"); and
- B. The City Selected Contractor's Response as being in the best interest of the City and wishes to engage Contractor in providing the services/materials described in the Solicitation and Response.

In consideration of the reciprocal promises contained in the Agreement, and for other valuable and good consideration, which the Parties acknowledge the receipt and sufficiency of, the Parties agree to the following Terms & Conditions.

TERMS & CONDITIONS

1. **Term.** This Agreement is for a term beginning on **December 1, 2019** and ending on **November 30, 2024**. The use of the word "Term" in the Agreement includes the aforementioned period as well as any applicable extensions or renewals in accordance with this Section 1. The contract is for an initial five (5) year term.
 - 1.1 **Renewals.** On the mutual written agreement of the Parties, the Term may be renewed up to a maximum of five (5) years (total possible term of the Agreement with renewals is ten (10) years. Any renewal(s) will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
 - 1.2 **Extension for Procurement Processes.** Upon the expiration of the Term of this Agreement, including any renewals permitted herein, at the City's sole discretion this Agreement may be extended on a month-to-month basis for a maximum of six (6) months to allow additional time for the City's procurement processes in the selection of a vendor to provide the services/materials provided under this Agreement. The City will notify the Contractor in writing of its intent to extend the Agreement at least thirty (30) calendar days prior to the expiration of the Term. Any extension under this Subsection 1.2 will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
 - 1.3 **Delivery.** Delivery shall be made to the location(s) contained in the Scope of Work within two (2) business days after receipt of an order.
2. **Scope of Work.** The Contractor will provide the necessary staff, services and associated resources to provide the City with the services, materials, and obligations attached to this Agreement as **Exhibit A** ("Scope of Work") in the same form as originally set forth in the Solicitation and Response, as applicable. Contractor will be responsible for all costs and expenses incurred by Contractor that are incident to the performance of the Scope of Work unless otherwise stated in **Exhibit A**. Contractor will supply all equipment and instrumentalities necessary to perform the Scope of Work. If set forth in **Exhibit A**, the City will provide Contractor's personnel with adequate workspace and such other related facilities as may be required by Contractor to carry out the Scope of Work.

The Agreement is based on the Solicitation and Response which are hereby incorporated by reference into the Agreement as if written out and included herein. In addition to the requirements

specifically set forth in the Scope of Work, the Parties acknowledge and agree that the Contractor shall perform in accordance with all terms, conditions, specifications and other requirements set forth within the Solicitation and Response unless modified herein.

3. **Orders.** Orders and delivery of products will be placed directly through and fulfilled by Contractor's independent authorized dealer network ("Authorized Dealer(s)") by either a: (i) Purchase Order when for a one-time purchase; (ii) Notice to Proceed, or (iii) Delivery Order off of a Master Agreement for a Requirement Contract where multiple as-needed orders will be placed with the Authorized Dealer. The City may use the Internet to communicate with Authorized Dealers and to place orders as permitted under this Agreement.

Contractor shall use commercially reasonable efforts to provide inventory to its Authorized Dealers in adequate amounts to fill orders made pursuant to this Agreement.

When tires are purchased, the Authorized Dealer will process the transaction through the Michelin Government Claim system. This will capture the tires sold which are included in a monthly report to be provided to OMNIA Partners.

4. **Document Order of Precedence.** In the event of any inconsistency between the terms of the body of the Agreement, the Exhibits, the Solicitation, and Response, the language of the documents will control in the following order.

- a. Agreement
- b. Exhibits
 1. Mesa Standard Terms & Conditions
 2. Scope of Work
 3. Other Exhibits not listed above
- c. Solicitation including any addenda
- d. Contractor Response

5. **Payment.**

- 5.1 **General.** Subject to the provisions of the Agreement, the City will directly pay the Authorized Dealer(s) for a transaction the sum(s) described in **Exhibit B** ("Pricing") in consideration of Contractor's performance of the Scope of Work, through the Authorized Dealer, during the Term. The Pricing in Exhibit B came from Contractor's Response to the Solicitation, which was a price in the format of a minimum percentage discount off a verifiable price index.

Payment will be made directly to the Authorized Dealer at the time of purchase. The Authorized Dealer will process the transaction through the Michelin Government Claim system.

- 5.2 **Prices.** All pricing shall be firm for the Term and all extensions or renewals of the Term except where otherwise provided or specifically allowed in this Agreement, and shall include all costs of the Contractor and Authorized Dealer(s) providing the materials and services including fuel surcharges, duties, custom fees, permits, brokerage fees, licenses and registrations, delivery and transportation, insurance and warranty costs. The City shall not be invoiced at prices higher than those stated in the Agreement.

The prices paid by the City under this Agreement will also be paid by any agency that utilizes this Agreement for a cooperative purchase contract, including those agencies that are OMNIA Partners' Participating Public Agencies. At the time of purchase, Contractor may offer deeper discounts beyond the discounted price list, based on volume or other factors, but any reductions in the price of the materials or services covered by this Agreement will apply to any undelivered balance. The Contractor shall promptly notify the

City of such price reductions which will apply to this Agreement and, by extension, all cooperative purchase contracts under this Agreement.

In the event a product is discontinued, Contractor will provide a product of the same or greater functionality, utilizing the same proposed discount structure in this Agreement as was used for the discontinued item. It is the responsibility of the Contractor to provide the City with an up-to-date price list for the Term of the Agreement.

No price modifications will be accepted without proper request by the Contractor and response by the City's Purchasing Division.

- 5.3 **Price Adjustment.** Any requests for reasonable price adjustments must be submitted in accordance with this Section 5.3. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. There is no guarantee the City will accept a price adjustment therefore Contractor should be prepared for the pricing to be firm over the Term of the Agreement. The City is only willing to entertain price adjustments based on an increase to Contractor's actual expenses or other reasonable adjustment in providing the services/materials. If the City agrees to the adjusted price terms, the City shall issue written approval of the change.

For renewals and extensions, during the sixty (60) day period prior to the expiration of the initial term of the Agreement, the Contractor may submit a written request to the City to allow an increase to the prices in an amount not to exceed the twelve (12) month change in the **Producer Price Index for Tire Mfg #32621**, Not Seasonally Adjusted as published by the U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/ppi/home.htm>). The City shall review the request for adjustment and respond in writing; such response and approval shall not be unreasonably withheld.

- 5.4 **Renewal and Extension Pricing.** Any extension of the Agreement will be at the same pricing as the initial Term unless a price increase is agreed to pursuant to this Agreement. If the Agreement is renewed in accordance with Section 1, pricing may be adjusted for amounts other than inflation that represent actual costs to the Contractor based on the mutual agreement of the parties. The Contractor may submit a request for a price adjustment along with appropriate supporting documentation demonstrating the cost to the Contractor. Renewal prices shall be firm for the term of the renewal period and may be adjusted thereafter as outlined in the previous section. There is no guarantee the City will accept a price adjustment.

- 5.5 **Invoices.** Payment will be made to Contractor's Authorized Dealer who accepts the City's order, following the City's receipt of a properly completed invoice. No terms set forth in any invoice, purchase order or similar document issued by Contractor's Authorized Dealer will be deemed accepted by the City; the terms of the contractual relationship between the Parties are as set forth in this Agreement. Any issues regarding billing or invoicing must be directed to the City Department/Division requesting the service or material from the Contractor's Authorized Dealer. A properly completed invoice should contain, at a minimum, all of the following:

- a. Authorized Dealer name, address, and contact information;
- b. City billing information;
- c. City contract number as listed on the first page of the Agreement;
- d. Invoice number and date;
- e. Payment terms;
- f. Date of service or delivery;
- g. Description of materials or services provided;
- h. If materials provided, the quantity delivered and pricing of each unit;
- i. Applicable Taxes

- j. If applicable, mileage or travel costs; and
- k. Total amount due.

5.6 **Payment of Funds.** Contractor acknowledges the City may, at its option and where available use a Procurement Card/e-Payables to make payment for orders under the Agreement. Otherwise; payment will be through a traditional method of a check or Electronic Funds Transfer (EFT) as available.

5.7 **Disallowed Costs, Overpayment.** If at any time the City determines that a cost for which payment was made to Contractor is a disallowed cost, such as an overpayment or a charge for materials/service not in accordance with the Agreement, the City will notify Contractor in writing of the disallowance; such notice will state the means of correction which may be, but is not limited to, adjustment of any future claim/invoice submitted by Contractor in the amount of the disallowance, or to require repayment of the disallowed amount by Contractor. Contractor will be provided with the opportunity to respond to the notice.

6. **Insurance.**

6.1 Contractor must obtain and maintain at its expense throughout the term of Contractor's agreement, at a minimum, the types and amounts of insurance set forth in this Section 6 from insurance companies authorized to do business in the State of Arizona; the insurance must cover the materials/service to be provided by Contractor under the Agreement. For any insurance required under the Agreement, Contractor will name the City of Mesa, its agents, representatives, officials, volunteers, officers, elected officials, and employees as additional insured, as evidenced by providing either an additional insured endorsement or proper insurance policy excerpts.

6.2 Nothing in this Section 6 limits Contractor's responsibility to the City. The insurance requirements herein are minimum requirements for the Agreement and in no way limit any indemnity promise(s) contained in the Agreement.

6.3 The City does not warrant the minimum limits contained herein are sufficient to protect Contractor and subcontractor(s) from liabilities that might arise out of performance under the Agreement by Contractor, its agents, representatives, employees, or subcontractor(s). Contractor is encouraged to purchase additional insurance as Contractor determines may be necessary.

6.4 Each insurance policy required under the Agreement must be in effect at or prior to the execution of the Agreement and remain in effect for the term of the Agreement.

6.5 Prior to the execution of the Agreement, Contractor will provide the City with a Certificate of Insurance (using an appropriate "ACORD" or equivalent certificate) signed by the issuer with applicable endorsements. The City reserves the right to request additional copies of any or all of the policies, endorsements, or notices relating thereto required under the Agreement.

6.6 When the City requires a Certificate of Insurance to be furnished, Contractor's insurance is primary of all other sources available. When the City is a certificate holder and/or an additional insured, Contractor agrees no policy will expire, be canceled, or be materially changed to affect the coverage available without advance written notice to the City.

6.7 The policies required by the Agreement must contain a waiver of transfer rights of recovery (waiver of subrogation) against the City, its agents, representatives, officials, volunteers, officers, elected officials, and employees for any claims arising out of the work of Contractor.

- 6.8 All insurance certificates and applicable endorsements are subject to review and approval by the City's Risk Management Division.
- 6.9 **Types and Amounts of Insurance.** Contractor must obtain and retain throughout the term of the Agreement, at a minimum, the following:
- 6.9.1 Worker's compensation insurance in accordance with the provisions of applicable law. If Contractor operates with no employees, Contractor must provide the City with written proof Contractor has no employees. If employees are hired during the course of this Agreement, Contractor must procure worker's compensations in accordance with Arizona law.
 - 6.9.2 Contractor shall maintain at all times during the term of this contract, a minimum amount of \$1 million per occurrence/\$2 million aggregate Commercial General Liability insurance, including Contractual Liability. For General Liability insurance, the City of Mesa, their agents, officials, volunteers, officers, elected officials or employees shall be named as additional insured, as evidenced by providing an additional insured endorsement.
 - 6.9.3 Automobile liability, bodily injury and property damage with a limit of \$1 million per occurrence including owned, hired and non-owned autos.
 - 6.9.4 Garage Liability with a limit of \$1 million per occurrence – Occurrence Form
 - 6.9.5 Garage Keeper with a limit of \$1 million per occurrence – Occurrence Form
7. **Requirements Contract.** Contractor acknowledges and agrees the Agreement is a requirements contract; the Agreement does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when the City identifies a need and issues a purchase order or a written notice to proceed. The City reserves the right to cancel purchase orders or a notice to proceed within a reasonable period of time of issuance; any such cancellation will be in writing. Should a purchase order or notice to proceed be canceled, the City agrees to reimburse Contractor for any actual and documented costs incurred by Contractor. The City will not reimburse Contractor for any avoidable costs incurred after receipt of cancellation including, but not limited to, lost profits, shipment of product, or performance of services.
8. **Notices.** All notices to be given pursuant to the Agreement will be delivered to the Contractor as listed on Page 1 of this Agreement. Notice will be delivered pursuant to the requirements set forth the Mesa Standard Terms and Conditions that is attached to the Agreement as **Exhibit C**.
9. **Representations of Contractor.** To the best of Contractor's knowledge, Contractor agrees that:
- a. Contractor has no obligations, legal or otherwise, inconsistent with the terms of the Agreement or with Contractor's undertaking of the relationship with the City;
 - b. Performance of the services called for by the Agreement do not and will not violate any applicable law, rule, regulation, or any proprietary or other right of any third party;
 - c. Contractor will not use in the performance of Contractor's responsibilities under the Agreement any proprietary information or trade secret of a former employer of its employees (other than City, if applicable); and
 - d. Contractor has not entered into and will not enter into any agreement, whether oral or written, in conflict with the Agreement.

10. **Mesa Standard Terms and Conditions.** Exhibit C to the Agreement is the Mesa Standard Terms and Conditions as modified by the Parties, which are incorporated by reference into the Agreement as though fully set forth herein. In the event of any inconsistency between the terms of the Agreement and the Mesa Standard Terms and Conditions, the language of the Agreement will control. The Parties or a Party are referred to as a “party” or “parties” in the Mesa Standard Terms and Conditions. The Term is referred to as the “term” in the Mesa Standard Terms and Conditions.
11. **Counterparts and Facsimile or Electronic Signatures.** This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original and all of which, taken together, will constitute one agreement. A facsimile or other electronically delivered signature to the Agreement will be deemed an original and binding upon the Party against whom enforcement is sought.
12. **Incorporation of Recitals and Exhibits.** All Recitals and Exhibits to the Agreement are hereby incorporated by reference into the Agreement as if written out and included herein. In the event of any inconsistency between the terms of the body of the Agreement and the Exhibits, the language of the Agreement will control.


Exhibits to this Agreement are the following:

- (A) Scope of Work / Technical Specifications
 - (B) Pricing
 - (C) Mesa Standard Terms and Conditions
 - (D) Other
13. **Attorneys' Fees.** The prevailing Party in any litigation arising out of the Agreement will be entitled to the recovery of its reasonable attorney's fees, court costs, and other litigation related costs and fees from the other Party.
 14. **Additional Acts.** The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the purpose and intent of the Agreement.
 15. **Headings.** The headings of the Agreement are for reference only and will not limit or define the meaning of any provision of the Agreement.

By executing below, each Party acknowledges that it understands, approves, and accepts all of the terms of the Agreement and the attached exhibits.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF MESA, ARIZONA

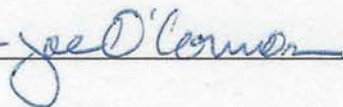
By:  Digitally signed by Edward Quedens
DN: cn=Edward Quedens, o=City of
Mesa, Arizona, ou=Business Services,
email=ed.quedens@mesaz.gov,
c=US
Date: 2019.11.21 11:06:47 -07'00'
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2019.021.20049

Printed Name

Title

Date

MICHELIN NORTH AMERICA, INC.

By: 

Joe O'Connor
Printed Name

Director, Government and Military Sales
Title

November 11, 2019
Date


REVIEWED BY:  11/7/19
By: _____
Brandy Andersen, CPPB, MPA
Procurement Officer II

EXHIBIT A
SCOPE OF WORK

1. **NATIONAL CONTRACT:** The City of Mesa, as the Principal Procurement Agency, has partnered with OMNIA Partners to make the resultant contract (also known as the “Master Agreement” in materials distributed by OMNIA Partners) available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit (“Public Agencies”), through OMNIA Partners’ cooperative purchasing program. The City of Mesa is acting as the contracting agency for any other Public Agency that elects to utilize the resulting Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with OMNIA Partners (a “Participating Public Agency”).
2. **MODIFICATION OF TERMS:** Participating Public Agencies commonly require a modification to a term of the Contract (e.g. governing law). The Contractor and Participating Public Agencies may agree to modify terms on any specific purchase by a Participating Public Agency without conflicting with the Contract.
3. **MINIMUM REQUIREMENTS.** Contractor must be able to meet the following minimum qualifications:
 - a. Provide a full range of tire products and services to meet varying requirements of governmental agencies.
 - b. Have a strong national presence as an automotive tire manufacturer/distributor and service provider.
 - c. Have a distribution model capable of delivering products, free of charge, in a timely manner on a nationwide basis.
 - d. Have a demonstrated sales presence.
 - e. Ability to provide toll-free telephone and internet ordering and billing capabilities.
 - f. Be able to meet the minimum requirements of the cooperative purchasing program detailed herein.
4. **SCOPE OF WORK:**

The scope of this Agreement includes specific full lines of tires and tubes and related services in the following sub-categories:

 - a. Tires and Tubes:
 - i. Pursuit and Performance Tires.
 - ii. Automobile/Passenger Vehicles.
 - iii. Light Duty Trucks: Radial and Bias.
 - iv. Medium Commercial/Heavy Duty Trucks /Buses.
 - v. Off-the Road OTR: Radial and Bias.
 - vi. Agriculture/Farm.
 - vii. Industrial.
 - viii. Specialty Tires.
 - ix. All other products offered.
 - b. Services:

Contractor is asked to provide a price on each of the below mentioned services that may be performed by their approved distributors to include any parts and labor as a total on

their price form. Contractor will be responsible for the timeliness and quality of all services provided by individual distributors pursuant to this Agreement.

- i. Tire installation with purchase in store, includes dismount of used tires and tubes.
- ii. Change tire, dismount and mount.
- iii. Flat repair, remove, repair and mount.
- iv. Flat repair, off vehicle.
- v. Rotate mounted tires (per tire).
- vi. New valve stem rubber or metal.
- vii. Wheel balance - computer spin balance (per tire).
- viii. Wheel balance/Valve stem combo.
- ix. Alignment services.
- x. Emergency tire repair-road side assistance (per hour).
- xi. Studding.
- xii. Siping.
- xiii. Used tire recycle/disposal fee (per tire).
- xiv. Bulk tire disposal.
- xv. Tire retreading and recapping services
- xvi. All other services offered.

5. **PRODUCT AND SERVICE SPECIFICATIONS:**

a. General Tire Specifications:

All tires will be of a quality not less than the tires normally furnished in representative quantities by Original Equipment Manufacturers (OEM) as original equipment for automobiles, trucks, tractors, buses, backhoes, loaders, motor graders, and other heavy equipment. Tires supplied must be marked with "DOT" compliance symbol. Tires will conform to all applicable federal specifications and laws. All tires must be new. Authorized Dealers must make every effort possible to provide tires that have been produced or manufactured within the one (1) year period prior to delivery to the ordering agency. Michelin, in tandem with Authorized Dealer, may accept the return of tires older than one (1) year depending on the circumstances.

All tires must have the size (including load range), manufacturer's name and DOT number, serial number and indication of body material molded in sidewall at time of cure. The application of any of the above by any other means (such as branding, application of decals, etc.) will not be acceptable.

Tires offered must have been tested to meet or exceed ASTM (American Society of Testing and Materials) Standard F1922 for highway tires, F1923 for Off Road/Low Speed tires, and meet operational performance levels and marking requirements of Federal Standards FMVSS 109 for new pneumatic passenger tires and FMVSS 119 for new pneumatic non-passenger MPVs, trucks, buses, and trailers.

i. Pursuit and Performance Tires:

1. Pursuit and Performance Tires: Pursuit & Performance Tires include tires for police and other pursuit vehicles and for other high-speed, performance vehicles. This subcategory includes any tire that is H, V, W, Y, or ZR rated or above. An H rating is the minimum speed rating for tires in this subcategory.

2. Tires will be standard production tires expressly designed and certified by manufacturer for high speed operation and will exhibit exceptional safety, stability, handling and stopping characteristics. Contractor will maintain evidence/certifications that such tires meet all laboratory test and size requirements of Federal Standards MVSS 109 and will ensure that the tires are marked with "DOT" compliance symbol.

ii. Automobile/Passenger Vehicles:

These tires include common passenger car and low rolling resistance tires and are designated with a "P" at the beginning of the tire size. Common applications for these types of tires would be passenger cars and mini vans.

iii. Light Duty Trucks Radial and Bias:

These tires can usually be identified by the letter's "LT" at the beginning of the tire size. Common applications for these types of tires would be pickup trucks, sport utility vehicles, full size vans and some trailers.

iv. Medium Commercial/Heavy Duty Trucks /Buses:

These tires do not have a letter at the beginning of the tire size. Common applications for these types of tires would be medium and heavy trucks, buses, semi-trucks, cargo vans and trailer tires. Tires in this subcategory have a diameter that is equal to or greater than twenty (20) inches.

v. Off-the-Road OTR and Low Speed Off Highway Tires (Radial and Bias): Common applications are heavy construction equipment such as wheel loaders, backhoes, graders, and trenchers.

vi. Agricultural/Farm (Radial and Bias): Common applications are farm tractors, wagons, harvesters, and other farm implements requiring tires with high traction qualities and tires with high flotation qualities at low inflation pressures.

vii. Industrial: Common applications are specialty industrial equipment, some construction equipment, and material handling equipment such as skid loaders and forklifts and include pneumatic, non-pneumatic, and press on tires.

viii. Specialty Tires: Specialty tires may include, but are not limited to, recreational, all-terrain-vehicle (ATV), boat trailer, yard and garden, and aviation tires. This category also includes all other tires not identified above.

b. Tubes:

All inner tubes will be standard production first line, heavy duty butyl tubes or natural rubber of fresh stock. All tubes will be of quality not less than the tubes normally furnished in representative quantities by OEMs as original equipment for automobiles, trucks, tractors, buses, backhoes, loaders, motor graders, and other heavy equipment. Tubes will conform to all applicable federal specifications and laws. All tubes must be new. Authorized Dealers must make every effort possible to provide tubes that have been produced or manufactured within the one (1) year period prior to delivery to the ordering agency. Michelin, in tandem with Authorized Dealer, may accept the return of tubes older than one (1) year depending on the circumstances.

c. Detailed Services Specifications:

Contractor is to provide a price on each of the below listed services that may be performed by Contractor, or by an approved distributor to; Contractor must include any parts and labor as a part of its pricing. The Contractor is responsible for the timeliness and quality of all services provided by the individual distributors for the services/materials provided pursuant to this Agreement.

Product installation and repairs, such as mounting, rotation, and balancing, will be in accordance with manufacturer's recommended procedures of warranted new virgin-product tires for each product subcategory.

- i. Tire installation with purchase in store, including dismount of used tires and tubes.
- ii. Change tire, dismount and mount.
- iii. Flat repair, remove, repair and mount.
- iv. Flat repair, off vehicle.
- v. Rotate mounted tires.
- vi. New valve stem rubber or metal.
- vii. Wheel balance - computer spin balance (per tire).
- viii. Wheel balance - computer spin balance and valve stem combination.
- ix. Alignment Services (Two Wheel vs Four Wheel). If Respondent provides this service, the prices should be listed as a flat rate or as a percentage discount from list price for parts and a price per hour for labor.
- x. Emergency Tire Repair: Road-side assistance (price per hour for labor or service call). Contractor must provide complete twenty-four (24) hour roadside service, as required by the City of Mesa or Participating Public Agency. Dispatch response time (arrival time by Contractor to identified location), will occur within the time parameters requested at the time of contact (one hour, 2-5 hours, 24 hours, etc.). Contractor must make every effort, including having all necessary tools, replacement materials and labor on hand at time of repair, to make all roadside repairs and tire replacement(s) in a safe, cost efficient manner.
- xi. Studding: Metal implants in the surface of the tread to improve traction on ice.
- xii. Siping: The small slots cut or molded into a tire tread surface. These slots are meant to aid in increasing traction in snow, ice, mud, and wet road surfaces.
- xiii. Used Tire Recycle and Disposal Fee (per tire): Some Participating Agencies have statutes that limit the fees that can be charged. In those states, the Participating Public Agencies will only pay the amount listed in this Agreement or the statute required price, whichever is lower.
- xiv. Tire Pressure Monitoring System (TPMS): Newer vehicles all come with a tire pressure monitoring system (TPMS) which is built into the tire valve. When new tires are mounted on a vehicle with the TPMS system, the TPMS system is reinstalled with a new washer, valve, and valve cap (TPMS service kit).

6. **QUALITY AND SERVICE REQUIREMENTS:**

- a. **Availability:** All tires of common usage will be regularly carried in stock by Contractor, or their distributor and must be able to be delivered within two (2) business days after receipt of order. All other tires must be available from Contractor, or their distributor, within seven (7) business days after receipt of order. Indicate the process, policies, or procedures used by manufacturer to mitigate the risks of running short of the materials needed to produce the tire products required to meet the need of the using agencies.
- b. **Shipping to Participating Public Agencies:** In some instances, a Participating Public Agency may require tires be shipped to various locations. Orders of this type must be shipped FOB Destination, freight prepaid and allowed at the Contract price with no additional fees or freight charges added.
- c. **Returns:** Contractor will not charge return fees for inaccuracies or other errors on the part of the Contractor that require the return of materials.

- d. Product Guarantee and Adjustment: The products sold are subject to the applicable standard limited warranty. Tires furnished must be guaranteed to be free from defects in workmanship and material for original tread. Effective date on all warranties will begin at the time of service/mounting by both Contractor and the City or Participating Public Agency. Any tire which fails this guarantee must either be satisfactorily repaired by Contractor or replaced with a new tire, charging only for the mileage used based on the tread depth, or as agreed upon by the Participating Public Agency. Allowances and replacement charges will be based upon the Contract tire price. Contractor must defray all transportation costs on both defective tire(s) and replacement tire(s). The warranty on all tubes and products/parts will begin on the date of installation, to repair or replace as necessary, as determined by the City of Mesa or Participating Public Agency, AT NO COST. If such items are not normally warranted for one (1) year, maintenance to supply the equivalent of a one (1) year warranty must be included in the cost. Shipping cost for returned tubes and parts warranty service must be paid by Contractor.
- e. Emergency Vehicle Service Priority: Contractor will give Emergency Vehicles (i.e. police vehicles, snow removal equipment, firefighting equipment, ambulances, etc.), during emergency operations, priority service over all other customers including both private and public customers. If there is no emergency, Contractor will service Emergency Vehicles in their normal priority manner.
- f. Service Areas: Contractor has the ability to sell and service tires and tubes to the Participating Public Agencies. A list of Authorized Dealers in Mesa, Arizona and the top 250 Authorized Dealers in the United States is included in this contract.
- g. Contact Person: Contractor will provide the name of the person who will work with the City of Mesa Contract Administrator during the term of the contract. This person must be authorized to coordinate with distributors and representatives in each state where a Participating Public Agency is located to ensure an efficient implementation of the contract and correct pricing for goods and services.
- h. Availability, delivery and pricing problems: Contractor work with its distributor network to ensure they will be effective in responding to tire availability, delivery, and pricing problems.
- i. Compliance of dealers with insurance requirements and warranty issues: Contractor will work with its distributor network to ensure that it complies with the terms of and awarded Contract with regards to liability insurance requirements and warranty issues.

7. **PROGRAM DESCRIPTION AND METHOD OF APPROACH:** The following is the Contractor's response to the program description and method of approach:

Provide a Response to the OMNIA Partner's National Cooperative Contract.

7.1 **Response for National Cooperative Contract:**

- a. **How Contractor will educate its national sales force about the contract:** *Sales force communications – salesforce.com, staff meetings, zone meetings, region meetings, and individual communication.*
- b. **How products and services will be distributed nationwide:** *Through the Michelin Independent Dealer network. There are over 850 Dealer locations that have participated in the Michelin Government Sales Program.*
- c. **Include a plan for marketing the products or services nationwide:** *Within 90 days, Michelin will collaborate with OMNIA Partners to develop a mutually beneficial sales strategy.*

- d. **Describe how volume will be tracked and reported to OMNIA Partners':** *A monthly report is generated that provides the tire sales information and will be reported per the Customer requirements. Sales are recorded when a government agency transaction is completed at an Authorized Michelin Dealer location and processed with the Government Sales System (process).*
- e. **Discuss how Participating Public Agencies will receive the correct contract pricing:** *Authorized Michelin Dealers have been trained on government sales transactions process, have access to the pricing, and will process sales transaction accordingly.*

In addition, the Michelin Contract Manager will review purchase reports for accuracy. If there is an error, the Dealer will be contacted, and a correction made.

7.2 **Provide a description of the product lines that can be provided by Contractor:**

- *Michelin Brand: Passenger, Lt Truck, Truck, Industrial, OTR-EM, and Agriculture tires*
- *BFGoodrich Brand: Pursuit, Passenger, Lt Truck and Truck tires*
- *Uniroyal Brand: Passenger, Lt Truck, and Truck tires*
- *Michelin Retreads*
- *Several commercial services (Tire Care, On-call, etc.)*

7.3 **Provide a description of the services that can be provided by the Contractor:** *Tire related services can be provided by authorized Michelin Independent Dealers. See Exhibit B – National pricing worksheet for a list of services.*

7.4 **Describe how Contractor proposes to distribute the products/services nationwide:** *Through the Michelin Independent Dealer network. There are over 850 Michelin Independent Dealer locations that have participated in the Michelin Government Sales Program.*

7.5 **Identify all subcontractors that will be involved in processing agency orders under this contract and describe their distribution/delivery process:** *Michelin works with Independent Dealers and not subcontractors. There are over 850 Michelin Independent Dealer locations that have participated in the Michelin Government Sales Program. Distribution/delivery processes vary depending on the type of product and service required. Some of the work is completed at the Dealers store, other work could take place at a location requested by the Customer. See the attached spreadsheet for Dealers that cover the Mesa, AZ area and the top 250 Dealers nationwide.*

7.6 **Provide the number, size and location of Contractor's distribution facilities, warehouses, and retail network as applicable:** *Distribution centers: Information can be obtained at www.michelinman.com. Michelin's most recent addition to its distribution network is a facility greater than 3M feet. Retail network.*

Michelin provides products through authorized Michelin Dealers throughout the United States. Over 850 Dealers have participated in the Michelin Government Sales Program.

7.7 **State any return and restocking policy, as well as any fees, if applicable, associated with returns:** *Return fees are not charged for errors made by the Dealer.*

7.8 **Describe the Contractor's invoicing process. Answer, at a minimum, the following questions:**

- a) Is electronic invoicing available? *If it is available by the Michelin Independent Dealer that completed the transaction.*
- b) Is summary invoicing available? *If it is available by the Michelin Independent Dealer that completed the transaction.*
- c) Are there other options on how an agency may receive an invoice from Contractor? *All transaction will be invoiced by the Dealer that sold the tires and/or provided services.*

All transactions will be invoiced by the Michelin Independent Dealer that sold the tires and/or provided the services.

7.9 **Describe the Contractor's delivery commitment:**

- a) What is its fill rate guarantee? *There is not a guaranteed fill rate. Michelin and its Independent Dealer network will strive to ensure product is available at all times.*

Most commonly used tires are readily available from the Dealer. Dealers work together with the garage fleet managers to obtain future needs (forecast) to ensure adequate supply is maintained.

Michelin Commercial Service Network Dealers are required by their agreement with Michelin to carry certain tires in inventory at all times. They are audited periodically.

- b) What are the delivery days? *It varies by Dealer and the Customer's needs. Many transactions take place at the Dealers store when the agency purchases tires and/or service.*
- c) Does Contractor offer same or next day delivery? *Yes, in many cases, depending on the location.*
- d) How does the Contractor facilitate emergency orders? *Orders are placed with the local Michelin Independent Dealer that can:*
 - *Pull tires from inventory*
 - *Order tires directly from Michelin for expedited delivery*
 - *Order tires from a local Michelin distributor that provides same day delivery*
- e) Describe Contractor's process for how delivery problems are resolved (such as a customer ordering a wrong product or a customer receiving a defective product): *Work with the Dealer that provide the tire to resolve the issue.*
- f) What is Contractor's average product availability? *MSPN Dealers are required by their agreement to carry certain tires at all times. They are audited periodically.*

7.10 **Describe the types of customer service available to participating public agencies that will use this contract:**

- a) Is online support available? *Yes, through Michelin Customer Service and Michelin Dealers*
- b) Is phone support available? *Yes, through Michelin customer Service and Michelin Dealers*
- c) Can participating public agencies request a dedicated service representative or a dedicated service team? *John Cook is the Michelin Contract Manager and will serve as the point of contract for all agencies participating with this contract.*

If a dedicated customer service representative team are assigned to work on agency's contract, what types of services does the representative/team provide? *It varies depending on the Customer's needs. Included are providing purchase reports, training, information (new tires, new process, etc.), pricing, answer questions, assist in fixing errors, serve as main contact and other support as required.*

- d) How are customer service problems resolved? *The government agency, Dealer, Michelin Contract Manager and Michelin Customer Service (if needed) work together to resolve problems.*
- e) What are the locations and hours of availability for local and national support? *They vary depending on the Dealer's business and market. Dealer locators containing specific information are available at www.michelinman.com and www.michelintruck.com.*
- f) What, if any, response time is guaranteed when a customer service request is made? *Our target is to contact the Customer within 24 business hours.*
- g) Does Contractor measure or track the success of its customer service program? If so, how is this done, and what were the most recent findings? *Surveys administered by an independent company are conducted periodically with some Customers to find out their level of satisfaction and a "Net Promotor Score" is established based on the results. This information is used to improve areas of opportunity.*
- h) Describe in detail Contractor's ability to hold/warehouse customers' orders and if there are any costs associated: *Government agencies will work with the local Michelin Independent Dealer on this.*

7.11 Provide any key warranty information specifically on items, referenced in the Pricing Forms. Warranty information should include:

- Length of product and service warranties (in both months and mileage): See warranty books, available upon request
- Description of coverage for all products/parts, labor and services: See warranty books, available upon request.
- Restriction and limitations; whether warranty services for items made by other manufacturers are covered: See warranty books, available upon request.
- Describe how Contractor will assist customers in warranty processing and any warranty issues: Work with an authorized Michelin Dealer.
- As well as any exchange or return policies and processes. Work with the Michelin Dealer that completed the original transaction.

7.12 Describe if and how Contractor would handle tire retreads and casing credits for tire retreads. *Government agencies would work with a Michelin Dealer that sells Michelin retreads.*

7.13 Describe any other services Contractor offers that would be applicable to this contract: *In addition to regular tire related services, Michelin offers through its Dealer network Michelin "Tire Care" provides a fleet tire maintenance program that helps maximize uptime and get the most out of tires. There is a fee for this service. See pricing attachment.*

- 7.14 **Describe options for various payment methods accepted by Contractor:** *Payment will be made to the Michelin Independent Dealer at the time of the transaction. The Dealer will process the transaction through the Michelin sales process system.*
- 7.15 **Identify the process, policies, or procedures used by the manufacturer to mitigate the risk of running short of the materials needed to produce the tire products required to meet the needs of the City and any participating public agencies:** *the Michelin Purchasing Department works closely with its suppliers to ensure materials are available, taking into consideration the market demand among other things.*
- 7.16 **How does the manufacturer ensure that the dealer network will be effective in responding to tire availability, delivery, and pricing problems?** *Contract commitment, audits, regular communication, feedback from agencies.*
- 7.17 **How will Contractor's company ensure that the dealer network is complying with the terms of the contract related to liability insurance requirements and warranty issues?** *Regular contact, audit by Michelin contract manager, sales personnel.*