

**ADDENDUM # 3 (PART 1 of 2) TO CATA RFP #2013-105
CAPITAL AREA TRANSPORTATION AUTHORITY
BUS TIRE LEASE**

Vendor Questions and Answers

Each question received from interested vendors in regard to the above Request for Proposal (RFP) is consecutively numbered 1-30 below and labeled "Q". Below each question is CATA's official corresponding answer labeled "A" and written in italics.

Part One of Two of This Addendum is enclosed within this correspondence, and is also available on the CATA website at www.cata.org, located under the heading "Doing Business With CATA".

Part Two (of Two) of this Addendum will be published on Monday, April 22, 2013.

- 1. Q: RFP Page 4, Section I-I, Sentence 8; please provide price sheets or confirm bidder is to provide its own price sheet.**

A: Price sheet will be provided.

- 2. Q: RFP Page 5, Section I-M Other Duties Assigned by CATA.**

- a. Please confirm Task Order is the equivalent to a Change Order to the Contract.**
- b. Last sentence. Please amend to read "A written Change Order will then be mutually agreed upon in writing by CATA and the Contractor".**

A: I-M Other Duties Assigned by CATA is a change order provision and any change order will be subject to mutual written agreement of the parties.

- 3. Q: RFP Page 6, Section I-P Independent Price Determination. Unnumbered paragraph 6. Please provide page and title of paragraph relating to the "bullets above".**

A: The reference in Section I-P Independent Price Determination, to "bullets above" refers to unnumbered Paragraphs 2-4 and Section I-P.

- 4. Q: RFP Page 6. I-Q Contract Payment Schedule.**

- a. Please change "statement" to "invoice". Monthly statements are provided which lists each invoice; however, bidder's system individually invoices for tires and for service.**

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- b. Second sentence. Please insert “CATA shall pay the Contractor within thirty (30) days of the receipt of an invoice (except as to any amounts disputed in good faith)”.**
- c. Confirm and taxes or fees for which CATA cannot provide an exemption certificate will be invoiced to CATA for payment.**
- d. Please clarify type of “tire inventory tracking” required or is Contractor to provide what their Company requires.**

A: 4A-C: I-Q Contract Payment Schedule. CATA considers the terms “statement” and “invoice” to be equivalent CATA will not pay more frequently than monthly. CATA will provide exemption certificates where required. CATA cannot make a general representation regarding the payment of taxes or fees. If there are taxes or fees which the vendor intends to pass on to CATA, they should be specifically identified in the vendor’s proposal.

4-D: Please provide the type of tire tracking and inventory details that CATA will be required to perform as part of this contract.

- 5. Q: Page 6, Section I-R, New paragraph. Please add: “I-R Non-Appropriation of Funds. CATA will promptly terminate this Contract in the event of funding unavailability and will, upon termination, pay for all unused mileage in the tires at a cost calculated in accordance with contract language for valuing the remaining tread on a tire and take title to such tires on an “as is” basis”.**

A: Paragraph I-R Relating to Non-Appropriation of Funds. CATA denies the request for additional language but wishes to confirm that the non-appropriation of funds would be a situation covered by the termination for convenience provisions of its Standard Terms and Conditions.

- 6. Q: RFP Page 7, Section II-B Objectives of the Project.**
 - a. Unnumbered paragraph 1. Please confirm bullet 3 (Tire service and repair) and bullet 4 (Wheel maintenance..) are an option for the bidder to quote as well as option for CATA to award.**
 - b. Unnumbered paragraph 2. Confirm understanding mounting, dis-mounting, balancing and repair option is to be performed offsite by Contractor.**

A: Part a. Confirm, this is an option CATA may or may not award as part of this proposal.

Part b. Currently this work is performed on site.

- 7. Q: RFP Page 7, Section II-C Scope of Work. 1. Tire Specifications.**

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- a. Unnumbered paragraph 1. Please clarify the fleet configuration: Paragraph II-A, last sentence states 38 buses and II-C, last paragraph totals 38 buses (31 – 40’ plus 7 – 60’ buses); however, the 275/70R22.5 states 60 buses and the 305/70R22.5 states 33 – 40’ plus 7’ – 60’ and 5 diesel electric hybrid (totaling 46) and Exhibit A totals 96.
- b. Please provide the GVWR for each bus axle in Exhibit A.
- c. Please provide the current tire average for each tire size.
- d. Please review attached specifications as approved equal to the tire size in your fleet. Our tire meets the Tire & Rim Association, Inc. standards; OE vehicle manufacturer’s requirements; operating conditions for the application – as demonstrated by continued use at other properties across the country including (PACE, Arlington Heights, IL; Madison, WI; Milwaukee, WI, etc.).

Specification Tire Size	Equal Request
275/70R22.5 Load Range L	Bridgestone 275/70R22.5J – Model R192
305/70R22.5 Load Range J	Firestone 305/70R22.5H – CTR or Bridgestone 305/70R22.5 L – R192*

A: Part a. To clarify: Exhibit A totals 106 buses.

Quantity	Bus Type
61	40’ Diesel
33	40’ Hybrid
7	60’ Diesel
5	60’ Hybrid

Part b. GVWR

Buses	GVWR
Buses 510-566	37,930
Buses 567-571	39,460
Buses 572-604	42,540
Buses 6000-6006	63,710
Buses 6007-6011	66,790

Part c. CATA estimates the 275 tires make up about 60% with the 305 tires at 40%.

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Part d. This specification information will be reviewed as part of the overall proposal review.

8. Q: RFP Page 8, Section 4.1 Contract Services and Maintenance. Tire Deliveries and Inventory.

- a. Line 2. Being a cost issue, since spare tires are not invoiced until placed on buses, please replace “sufficient” with “mutually agreed upon”.
- b. Please confirm the delivery address for tires.
- c. Please add the following: “If CATA elects to lease tires under this Agreement, title to and ownership of all tires and equipment furnished by Contractor shall not pass to CATA upon delivery, but will remain with Contractor unless and until CATA has made complete payment thereof.”

A: Part a. The word “sufficient” in Paragraph IV-1, line two shall be replaced with the phrase “mutually agreed upon.”

Part b. The mailing address for deliveries: Capital Area Transportation Authority, 4615 Tranter Street, Lansing, MI 48910.

Part c. CATA contemplates that the title to the tires shall remain with vendor until CATA has made complete payment. It will not negotiate contract language at this time.

9. Q: RFP Page 8, Section 4.2 Tire Inventory and Control.

- a. Line 1. Please amend to read: “CATA will provide, by the 10th of the following month,”.
- b. Line 2. Since CATA will mount, dismount and repair tires, please amend to read: “...a monthly vehicle mileage report and daily tire change data.”
- c. Please confirm that no liability of any kind shall pass to Contractor for test tires that were not manufactured by Contractor.

A: CATA will not negotiate language at this time, but confirms that a contractor will not be liable for test tires that were not manufactured by that contractor.

10. Q: Page 8. II-C. 4.3 Defective/Damaged Tires.

- a. Line 4. Please omit “and misalignment”.
- b. End of line 4. Please amend to read: “...minimize the effects of the wear; and CATA will be held responsible for premature tire wear due to misalignment.
- c. Last line. Please amend to read: CATA does not have experience with excessive brake heat or bead damage; therefore; any bead damaged from demounting shall be billable.”

A: CATA will not negotiate contract language at this time.

11. Q: Since there are various reasons when the remaining value of a tire must be determined for invoicing, please add a paragraph:

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“Any tires which have been damaged beyond repair by an accident, malicious abuse, fire, or which have been lost or stolen, sold, or purchased shall be paid for by CATA as of the date of accident, loss or theft shall be paid for by CATA by paying for any mileage remaining thereon, based on remaining 32/inch of tread, at the effective rate. When a tire is not available for inspection to apply the following formula whether lost, stolen or otherwise missing, or destroyed by a fire, or involved in a collision or accident, CATA shall not reimburse the Contractor in excess of fifty percent (50%) of the current value of a similar tire, unless the Contractor can provide an auditable accounting of the tires accurate mileage prior to the loss. The remaining mileage shall be prorated by determining the percentage of useable rubber remaining multiplied by the following cost per 32nds.

CONTRACTOR'S CONTRACT FIXED COST PER 32 nd OF AVAILABLE RUBBER				
LIST TIRE SIZE	ORIGINAL COST/ 32nd	USABLE 32nds	RETREAD COST/32nd	USABLE 32nds
275/70R22.5				
305/70R22.5				

A: CATA will not negotiate contract language at this time.

12. Q: RFP Page 8, Section 4.4 Tire Support and Repair Supplies.

- a. Confirm CATA will supply a sufficient supply of wheels to allow a 10 day turnaround for wheels being powder coated.
- b. Confirm frequency requirement for powder coating wheels.
- c. How many wheels were refurbished last year?

A: Part A. Confirm.

Part B. This is as required. CATA will notify the vendor when a supply of wheels are available to be serviced.

Part C. 193 wheels were refurbished in 2011. No wheels were refurbished in 2012.

13. Q: RFP Page 8, Section 4.5 Mounting/Dismounting

- a. Please advise how many mount/dismounts and repairs are averaged on a weekly basis.
- b. Last sentence. Please replace to read: “CATA performs all on bus tire installation and removals and will inspect tires and keep tires inflated to proper air pressure as recommended by manufacturer. Tire service in general will be in accordance with Tire & Rim Association, Inc. standards.”

A: CATA estimates a weekly average of about 20 tires.

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- 14. Q: RFP Page 9, Section 4.7, Disposal/Run out. Being a cost issue, please amend to read: “All of the Contractor’s tire casing beyond further operational use by CATA shall remain the property of Contractor.”**

A: The requested amendment is granted.

- 15. Q: RFP Page 9, Section 5, Mileage Rage. Last line. For clarification, please amend to read: “and one option netted rate for the original and retread tires for each size.**

Reason: For record keeping purposes, tire leasing standard is to provide a lease rate for all originals or a netted rate for the original and retreads.

A: Please review price sheet provided for clarification. Each tire size and retread type is separated for individual pricing.

- 16. Q: RFP Page 9, Section II-D CATA Responsibilities.**

- a. **First bullet. Please amend to read: “Vehicle mileage reports by the 10th of the month. CATA will keep the actual beginning and end hubometer mileage for each vehicle each month and shall furnish the Contractor with an accurate list of each vehicle showing (a) active vehicles, (b) new vehicles put into service during the month, with the start service date and (c) old vehicles removed from service during the month, with the date of removal from service and the actual beginning and end hubometer mileage for each vehicle and tire change information for any lease-to-nonlease or nonlease to lease tires. Tire Movement report data will also be provided listing bus number, wheel position, tire brand number on, tire brand number off, and reason code. Payment for invoices will be within thirty (30) days of receipt of proper invoice.”**
- b. **Second bullet. Please add “Secure” prior to “inside”.**
- c. **Confirm CATA provide rims for buses and emergency read call service.**
- d. **Confirm CATA will exercise ordinary care in the use of all tires furnished hereunder and in operating storing and parking its buses equipped with Contractor’s tires so that none of said tires may be subjected to misuse.**

*A: **Part a.** CATA will not negotiate contractual or warranty languages at this time.*

***Part b.** Request denied.*

***Part c.** Confirm.*

***Part d.** CATA will not negotiate contractual or warranty languages at this time.*

- 17. Q: RFP Page 9, Section II-E, General Requirements. Please add paragraphs required by tire lease contracts:**

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NEWLY ACQUIRED BUSES: Vehicles purchased by CATA during the term of this Agreement will be obtained from the manufacturer, or other seller without tires and CATA will notify Contractor sixty (60) days in advance of date required so that Contractor may specify and furnish to the manufacturer's continental North American facility or port of demarcation the size and type of tires to be placed on the vehicles. A new rate will be negotiated for other vehicles which may be acquired by the Operator taking into consideration the weight of vehicles which may be acquired by the Operator taking into consideration the weight of vehicles, carrying capacities, sizes and types of tires, and such additional billing rate shall be included as an amendment to the contract. Any tires lost, stolen, or damaged while in the possession of the vehicle manufacturer, or other seller, or while the vehicle is being delivered to CATA, shall be paid for by CATA on the basis set forth in the Contract. If any such vehicles equipped with tires furnished by Contractor shall be driven overland instead of being shipped, CATA shall pay Contractor for use of such tires at the billing rate per tire mile then in effect within thirty (30) days after receipt of invoice.

LEASED VEHICLES: If leased vehicles are supplied with the Lessor's tires, contractor shall be notified thirty (30) days in advance and the monthly vehicle mileage will be reported for billing. Should the Company terminate or otherwise lose possession of any of the leased vehicles equipped with Lessor's tires, the Company shall pay for each tire (including spares) in accordance with contract terms.

SALE OR DISPOSITION OF VEHICLE: CATA shall notify Contractor prior to any sale or disposition of any of CATA's vehicles equipped with Contractor's tires and, unless Contractor requests otherwise, CATA shall purchase the unused mileage in each leased tire and for any leased tires which remain in stock after such vehicles have been sold or disposed of which cannot be used on other vehicles in CATA's fleet. Payment for the unused tire mileage acquired by CATA under this paragraph shall be on the basis set forth in the contract. The contractor shall supply scrap tires, if available at no charge, to CATA in quantities sufficient to support the buses scheduled for disposal."

A: CATA will not negotiate contract language at this time.

18. Q: RFP Page 9. Section II-E. General Requirements. Timeliness. Please confirm a new contractor will have thirty (30) days to mobilize the contract.

A: CATA will not negotiate contract language at this time.

19. Q: Page 9, Section II-E General Requirement. Meetings. First sentence. Please replace "as required" with "at mutually agreed upon times".

A: The requested change is granted.

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20. Q: RFP Page 10, Section II-H Proposal Requirements. Confirm bidders may provide their standard tire lease agreement.

A: Bidders may include their standard tire lease agreement for consideration with their proposal.

21. Q: RFP Page 11. Section III-A. FTA and MDOT Required Clauses. Unnumbered paragraph 1. Please add to beginning of the paragraph: “as applicable to and during the course of its performance of this tire lease contract”.

A. The requested amendment is granted.

22. Q. Page III-A FTA and MDOT Required Clauses. Concerning FTA and MDOT language related to the following topics please amend due to this being a lease and title does not transfer until paid for in full.

- a. **Assignment.** Due to this agreement being a tire lease and Authority having possession of Contractor’s tires, please make this provision mutual by amending as follows: “It is agreed that neither party shall assign this contract, wholly or in part, without the prior written consent of the other party. Any such assignment shall be recognized only after proper written notice have been received and only to the extent permitted by law. No assignment shall relieve either party of any obligation under this contract.”
- b. **Cost Analysis.** Please confirm that any audit, inspection or analysis or records will be limited to applicable non-proprietary information at mutually agreeable times (with prior written notice). Corporate policy restricts disclosure of commercial or proprietary cost components which could negatively impact the Company’s ability to compete; however, bidders will assist in a price analysis to substantiate the fairness and reasonableness of our quoted pricing.
- c. **Audit and Inspection of books and records.** Confirm any audit and inspection of books and records will be subject to thirty days advance notice to Contractor, at the regular business hours of the Contractor, and at CATA’s expense.
- d. **Termination for Convenience and Termination for Default.** Please confirm that should the CATA exercise its right to terminate under these sections, Contractor will be paid for work satisfactorily performed prior to the effective date and time of termination and contract close-outs to include the remaining value of tread on tires mounted on buses and in spare stock. **REASON:** The standard government language in this subsection does not adequately address the characteristics of a tire lease agreement whereby

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leased tires are operating on buses, on parked buses, and stored in spare stock.

A: CATA will not negotiate modifications to FTA and MDOT required clauses at this time. However, CATA contracts usually contain mutual restraints on assignment and fair termination for convenient provisions.

- 23. Q: RFP Page 12, Section III-D Ownership. Please omit this section in its entirety, and replace with the following language:**

Any work product produced by Contractor in the performance of services under this Agreement is intended for use by CATA solely for the purpose intended. Any use or reuse of such work product by CATA for any purpose other than its intended purpose is prohibited. Contractor reserves ownership of all Intellectual Property in all Products and services, and this Agreement does not create any right of ownership of all Intellectual Property in all Products and Services, and this Agreement does not create any right of ownership in CATA. For the purposes of this Section, "Intellectual Property" means all proprietary interests of any kind or nature, including, interests pertaining to patent rights, copyrights, trade secrets, design rights, prototypes, models, documentation, trade and service marks, and other similar rights throughout the world, however, however denominated and any amendments, additions or improvements made thereto.

REASON: This is a tire lease Agreement. Contractor will not be producing "works for hire", design or construction services, or any professional services such as engineering or architecture under this Agreement.

A: CATA will not negotiate modifications to FTA and MDOT required clauses at this time. However, CATA contracts usually contain mutual restraints on assignment and fair termination for convenient provisions.

- 24. RFP Page 13, Section III-F. Audit and Inspection Records. Confirm any audit and inspection of books and records will be subject to thirty days advance notice to Contractor, at the regular business hours of the Contractor, and at CATA.**

A: CATA will not negotiate modifications to FTA and MDOT required clauses at this time. However, CATA contracts usually contain mutual restraints on assignment and fair termination for convenient provisions.

- 25. Q: RFP Page 15, Standard Terms and Conditions, Paragraph A.1 Changes. Line 8. Please amend to read: "by written modification of the contract and agreed to by both parties."**

A: The amendment is granted.

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26. Q: RFP Page 15, Standard Terms and Conditions, Paragraph A.2 Termination for Default.

- a. In line 2, please insert “thirty days prior” preceding “written”.
- b. In line 2, following “in whole” please delete “or” and insert “but not”.
- c. C. Line 3, please insert “material” preceding “provisions”.
- d. Please add: If CATA exercises its right to terminate under this section, Contractor will be paid for work satisfactorily performed prior to the effective date and time of termination and contract close-outs to include the remaining value of tread on tires mounted on buses and in spare stock. **REASON: The standard government language in this subsection does not adequately address the characteristics of a tire lease agreement whereby leased tires are operating on buses, on parked buses, and stored in spare stock.**
- e. Confirm Contractor will have the standard ten (10) days to cure any deficiency before termination of the contract for default.

A: Part a. *The amendment is granted.*

Part b. *The amendment is granted.*

Part c. *The amendment is granted.*

Part d. *The amendment is denied. See response to Request 27 below.*

Part e. *The ten day cure period is confirmed.*

27. Q: RFP Page 15. Standard Terms and Conditions. Paragraph A.3 Termination for Convenience.

- a. In line 2, please insert “thirty (30) days prior” preceding “written”.
- b. In line 2, following “in whole” please delete “or” and insert “but not”.
- c. Please add: If CATA exercises its right to terminate under this section, Contractor will be paid for work satisfactorily performed prior to the effective date and time of termination and contract close-outs to include the remaining value of tread on tires mounted on buses and in spare stock. **REASON: The standard government language in this subsection does not adequately address the characteristics of a tire lease agreement whereby leased tires are operating on buses, on parked buses, and stored in spare stock.**

A: Part a. *The amendment is granted.*

Part b. *The amendment is granted.*

Part c. *The amendment is denied at this time. A proper compensation for contractors shall be negotiated following contract award. CATA recognizes that an auditable cost approach may not best serve the interest of the parties in a tire lease agreement.*

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28. Q: RFP Page 16.6 Delivery

- a. **Please amend to read: “Tires will be delivered to CATA within thirty (30) days of receipt of order.**
- b. **Confirm understanding leased tires are not invoiced with the delivery of each tire but will be invoiced the following month after the monthly vehicle miles are reported by CATA; service and wheel option will be invoiced monthly as well.**

*A: **Part a.** Refer to page 8, Section 4.1 Tire deliveries and inventory for required delivery time frame.*

***Part B.** Confirmed.*

29. Q: RFP Page 16, Section 10 Installation. For this tire lease contract please amend to read: “The contractor shall deliver tires at the Contractor’s expense within thirty (30) days from issuance of a notice to proceed.”

A. Refer to page 8, 4.1 Tire deliveries and inventory for required delivery time frame.

30. Q: RFP Page 16, Section 11, Extension and Delays. For this tire lease contract, please amend to read: “CATA reserves the right to extend or reschedule tires and services under this contract that may be delayed because of strike...The time of completion shall be extended...”

A: The request is denied.

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