

AGREEMENT WITH
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC (dba GCR Tires & Service)
FOR
Tire Service Worker(s)

This Agreement for tire service workers(s) ("Agreement") is effective and entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Bridgestone Americas Tire Operations, LLC, a Delaware limited liability company, authorized to do business in Arizona, and doing business in Arizona as GCR Tires & Service (the "Contractor"), as of the 23rd day of September, 2014.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in Exhibit A, pursuant to Contract 12PB026 with the City of Scottsdale (the "Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project attached hereto;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. **Key Personnel; Sub-contractors.**

- 1.1 Services. Contractor will provide all services necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors or consultants, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's option, complete the Project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement;
 - (2) The City must approve the designated Project Manager; and
 - (3) To assure the Project schedule is met, Project Manager may be required to devote no less than a specific amount of time as set out in Exhibit A.
 - b. Project Team.
 - (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.
 - (3) Consultant will provide a Project Team to perform all work necessary to complete the Project.

- (4) Consultant certifies that members of the Project Team meet or exceed the level of competence that the City may reasonably expect of a person performing his or her assigned duties, and that he or she will not commit any acts or omissions detrimental to the development, implementation or completion of the Project.

d. Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Contractor's Work.**

3.1 Standard. Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Contractor warrants that:

- a. Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- b. As provided in Attachment 1 hereto, Contractor has disclosed that its parent or affiliate Bridgestone Corporation of Japan was temporarily debarred and excluded from government contracting. This suspension or debarment did not apply to Bridgestone Americas Tire Operation or its U.S. parent company, Bridgestone Americas, Inc. Accordingly, Contractor certifies it has not been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment"). The Parties agree:
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

3.4 Coordination; Interaction.

- a. For projects that the City believes requires the coordination of various professional services, Contractor will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- b. Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.

- c. For projects not involving Coordinating Project Professionals, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- a. Ownership. Upon receipt of payment for services furnished, Contractor grants to City, and will cause its Sub-contractors to grant to the City, the exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Contractor warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. Delivery. Contractor will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- c. City Use.
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Contractor, the City agrees to indemnify and hold Contractor harmless from any claim arising out of the Work Product.
 - (3) In such case, City shall also remove any seal and title block from the Work Product.

4. **Compensation for the Project.**

- 4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$100,000.00, for the entire potential term (Initial Term and any renewals) of this Agreement as provided in Section 13 below, as specifically detailed in Exhibit B (the "Compensation").
- 4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified.
 - a. Adjustments to the Compensation require a written amendment to this Agreement and may require City Council approval.
 - b. Additional services which are outside the scope of the Project contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. **Billings and Payment.**

- 5.1 Applications.
 - a. Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
 - b. The period covered by each Payment Application will be one calendar month ending on the last day of the month or as specified in the solicitation.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Contractor and its Sub-contractors; and
 - (2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 30 days following the date of delivery.

- a. Contractor will be equitably compensated for Service and Repair furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages, in accordance with the provision of § 5.
- b. If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages of more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Conflict. Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. Insurance.

8.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):

- a. Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Contractor's Policies"), until each Party's obligations under this Agreement are completed.

- b. General Liability.
- (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate for each property damage and contractual property damage.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- c. Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and \$1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- d. Workers' Compensation and Employer's Liability. Contractor and sub-contractor must, at all times relevant hereto, carry a workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- e. Notice of Changes. Contractor must provide not less than 30 days' advance written notice to City Representative of:
- (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- f. Certificates of Insurance.
- (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under the Agreement.
- g. Other Contractors or Vendors.
- (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).

- h. Policies. Except with respect to workers' compensation and employer's liability coverages, City must be named and properly endorsed as additional insureds on all liability policies required by this section.
 - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and reasonably acceptable to all parties.

8.2 Sub-contractors.

- a. Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- c. Contractor and Sub-contractors must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- a. To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.
- b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's or third party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- c. Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

8.4 Contractor's Warranties. Contractor provides its standard warranties and limitations on its goods, products and services. Such standard warranties and limitations are contained in Attachment 2, and are specifically incorporated into and made an enforceable part of this Agreement.

9. Immigration Law Compliance.

- 9.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

- 9.2 Any breach of warranty under subsection 9.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 9.1 above.
- 9.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 9.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

- 10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
 - a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested); and
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice; and
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Contractor. Contractor's representative (the "Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Bridgestone Americas Tire Operations, LLC dba GCR Tires & Services
c/o Marc Gagnon
2815 N. 32nd Avenue
Phoenix, AZ 85009

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Montana Slack
City of Glendale
6210 W. Myrtle Avenue, Suite # 111
Glendale, Arizona 85301
623-930-2621

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- d. Changes. Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. **Entire Agreement; Survival; Counterparts; Signatures.**

12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies

the original solicitation as stated. Inconsistencies between the solicitation, any addendums and the response or any excerpts attached as Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

12.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

12.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

12.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.

12.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

12.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be deemed reformed to conform to applicable law.

12.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

13. **Term.** The City is purchasing the service for tire service worker(s) for City vehicles and equipment from Contractor pursuant to City of Scottsdale Contract 12PB026. Under the City of Scottsdale Contract, purchases can be made by governmental entities for one year from the date of award, which was January 3, 2012. The original contract term expired on December 31, 2013. The City of Scottsdale Contract was subsequently renewed and extended for a period of one year until December 31, 2014. The City of Scottsdale Contract, by its terms may be extended for four additional one-year periods beyond the original terms, by the mutual agreement of the parties, but may not be extended contract beyond December 31, 2017. Provided the City of Scottsdale Contract remains in effect and is renewed each of the remaining renewal periods, the City of Glendale may renew the term of this Agreement until the City of Scottsdale contract expires on December 31, 2017. Renewals are not automatic and shall only occur if the City gives the Contractor notice of its intent to renew. The City may give the Contractor notice of its intent to renew this Agreement 30 days prior to the anniversary of the Effective Date to effectuate such a one-year renewal.

14. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

- Exhibit A Project
- Exhibit B Compensation
- Exhibit C Dispute Resolution

The parties enter into this Agreement as of the effective date shown above.

City of Glendale,
an Arizona municipal corporation



By: Brenda S. Fischer
Its: City Manager

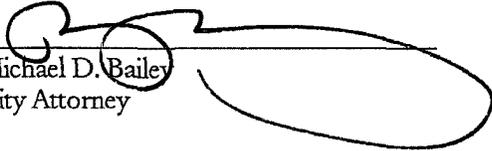
ATTEST:



Pam Hanna
City Clerk

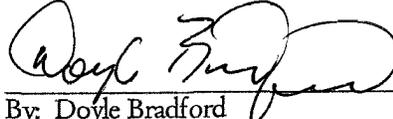
(SEAL)

APPROVED AS TO FORM:



Michael D. Bailey
City Attorney

Bridgestone Americas Tire Operations, LLC
dba GCR Tires & Services,
a Delaware limited liability company



By: Doyle Bradford
Its: Vice President, Sales & Services

EXHIBIT A
AGREEMENT WITH
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC (dba GCR Tires & Service)
FOR
Tire Service Worker(s)

In accordance with the terms and conditions of this Agreement and the City of Scottsdale Contract 12PB026, the City is retaining Bridgestone Americas Tire Operations, LLC, dba GCR Tires & Service for tire service worker(s) on City vehicles and equipment on an as needed basis.

EXHIBIT B
AGREEMENT WITH
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC (dba GCR Tires & Service)
FOR
Tire Service Worker(s)

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Method of payment is provided in Paragraph 5 of the Agreement. The amount of compensation, tire service worker(s), is provided in City of Scottsdale Contract 12PB026 and attached hereto.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$100,000.00.

DETAILED PROJECT COMPENSATION

Tire service worker(s) on City vehicles and equipment on an as needed basis.

SPECIFICATIONS



TIRE SERVICE WORKER(S)

IFB # 12PB026

QUALITY CONTROL

The Contract Administrator or designee will monitor issues by the Contractor. Tire repair issues caused by Tire Service Worker, not by road hazard (improper patch, leaking or broken valve stem etc.) shall average less than five percent (5%) monthly. Tire repair issues that exceed five percent (5 %) for two (2) consecutive months may result in the contract being terminated. The Contract Administrator has the right to request a replacement tire service worker if their performance is deemed as inadequate or unsafe practices are used. The City of Scottsdale Contract Administrator will be the final determination of what was the cause of the tire issue.

SERVICE TECHNICAL SPECIFICATIONS AND REQUIREMENTS

1.0 Tire Service Specifications

- 1.01 The Fleet Management Division has two (2) service facilities (Corporation Yard Fleet Management Facility (9191 E. San Salvador Dr.) AND the McKellips Fleet Management Facility (7601 E. McKellips Rd.).
- 1.02 The Contractor shall provide an onsite tire service workers, service truck and tools at a pre-determined City of Scottsdale Fleet Management Service Facility a MINIMUM of Monday through Friday between 5:00 AM and 11:00 AM and 2:00 PM 10:00 PM. except on posted holidays or limited special occasions. Hours and location may vary as needed and indicated by the Contract Administrator, as it is anticipated that the Tire Service Workers will float between the two Service Facilities based on the needs of the City.
- 1.03 For all other times (24/7 including holidays) NOT covered by section 1.02 above, the Contractor shall provide after-hours / emergency call-out service with a MAXIMUM road-call site (site of breakdown) response time of two (2) hours (calculated from the time of service request to arrival of the tire service worker at the job site).
- 1.04 Contractor shall use the Contractor provided service truck and tools to provide response to all road side service requests (Regular Hours and After Hours) covered under the scope of this contract. Contractor is responsible for their own fuel costs.
- 1.05 Contractor shall provide a "Yard Check Service" under the scope of this contract, performed during the regular service hours indicated in section 1.02. The "Yard Check Service" shall be an inspection of the tires mounted on City of Scottsdale vehicles during the course of each shift, at each location as designated by the Contract Administrator or Designee. The Contract Administrator or designee will determine the timing, breadth and depth of the "Yard Check Service". The inspection process will include an air pressure check and visual inspection of the tread, sidewall area, valve stems and wheels. Each tire service worker shall submit a written inspection report noting vehicle with worn tires, as well as any irregular wear, may indicate mechanical problems with the vehicle to the Contract Administrator or designee. This report is to include all vehicles inspected, and shall be turned in prior to the completion of the Contractor's work order for the shift worked. A City of Scottsdale work order must be issued prior to replacing any tires. No fuel surcharges will be allowed as part of this contract.

SPECIFICATIONS



TIRE SERVICE WORKER(S)

IFB # 12PB026

SERVICE TECHNICAL SPECIFICATIONS AND REQUIREMENTS – CONT'D

1.0 Tire Service Specifications – Cont'd

1.06 Contractor shall remove wheels/tires from equipment; replace new/recapped tires, balance, and replace tires on the equipment on site.

1.07 Repairs of tires onsite will be limited to patchable flat repairs and the replacement of damaged valve stems and worn or damaged tires. All flat repairs for on highway applications shall be made with the tire removed from the rim and patched inside the tire.

TIRE PLUGS ARE NOT ACCEPTABLE. All tire repairs and tire replacement labor cost shall be included in the hourly rate for the time period in effect at the time the repair is made.

1.08 EVERY vehicle repaired by the Contractor shall have ALL (including any applicable Spare tires) the tire pressure checked and adjusted to proper inflation levels and tread depth of the tires checked and noted on their daily report to the Contract Administrator or designee.

1.09 All reports and forms will be created through collaboration with Contractor and the Contract Administrator or designee. These sheets shall be filled out completely and signed by the technician providing the service before the Contractor's work order is signed for the work performed. There shall be NO ADDITIONAL CHARGE for filling out these sheets.

2.0 Contractor Service Worker Requirements

2.01 The Contractor shall employ properly trained and / or certified tire service workers who are also trained in the use of City of Scottsdale owned tire equipment. The Tire Service Worker(s) MUST be TIA (Tire Industry Association) Certified.

2.02 Contractor shall have some form of background check in place for all tire service workers that will be providing repair services under the scope of this contract. The background check performed by the Contractor shall ensure that tire service workers have no prior felony convictions or any convictions other than minor traffic violations. The City reserves the right to initiate a background check, administered by the Police Department, on any tire service worker dispatched to City, should it be determined by the Contract Administrator to be in the City's best interest. Tire service workers that do not pass the City's background check will no longer be eligible to provide services to the City under the scope of this contract. Frequent failures of City background checks by Contractor tire service workers, may result in the cancellation of the contract for cause.

2.03 All Contractor employees shall understand and follow all related City of Scottsdale Safety procedures while working on City of Scottsdale equipment or property.

SPECIFICATIONS



TIRE SERVICE WORKER(S)

IFB # 12PB026

SERVICE TECHNICAL SPECIFICATIONS AND REQUIREMENTS – CONT'D

2.0 Contractor Service Worker Requirements – Cont'd

- 2.04 The Contractor shall be responsible for all training and certification of their Employee(s) working under the scope of this contract.
- 2.05 Each tires service worker provided by the Contractor shall have completed OSHA Safety training and be certified by International Tire and Rubber Association (ITRA) prior to assignment to work on or for City of Scottsdale property or equipment.
- 2.06 A designated area in the Fleet Maintenance Facility will be designated as a Tire Repair Shop. All tire service equipment and tire repair supplies will be located in this designated area.
- 2.07 Each tire service worker shall be familiar, trained and certified on the safe and proper use of Scottsdale tire equipment prior to assignment to work on City of Scottsdale property and equipment. The City currently has the following tire equipment the tire service workers will need to be trained and certified on:

BRAND	MODEL	DESCRIPTION
Ahcon	Safe 88	Tire Safety inflation cage
Coats	1025	Tire Balancer
Coats	4050A	Tire Mounting Machine
Coats	5000	Tire Mounting Machine
Coats	6160	Tire Safety Inflation Cage
Coats	6401	Tire Balancer
Giuliant	ALL Tire Plus	Tire Mounting Machine
Giuliant	Type 551	Tire Mounting Machine
Napa		Tire Bead Blaster
Miscellaneous	Miscellaneous	Five and Ten Ton Jack Stands
OTC		25 Ton Air over Hydraulic Axle Jack
Unknown		25 Ton Floor Jack
Unknown		10 Ton Bottle Jack

- 2.08 Tire service worker will be required to move City equipment within the City's maintenance facilities to and from the area where the area where the tire service is to be performed. A valid driver's license is required for each tire service worker.

SPECIFICATIONS



TIRE SERVICE WORKER(S)

IFB # 12PB026

SERVICE TECHNICAL SPECIFICATIONS AND REQUIREMENTS – CONT'D

3.0 City Supplied Equipment and Supplies

3.01 The City of Scottsdale shall provide the following supplies for use under the scope of this contract by the Contractor's Tire Service Worker:

- Tire Repair Patches and Glue
- Tire Valve Stem
- Wheel Weights (for balanced tires)
- Shop Towels
- Tire Mounting Lubes, Soaps and Greases

3.02 Supplies provided by the City **SHALL NOT** be removed from City premises.

3.03 Contractor shall be responsible for the supplies on the Contractor owned service vehicles used for all road service calls (regular hours / after hours) covered under the scope of this contract.

BID FORM	
	TIRE SERVICE WORKER(S) IFB # 12PB026

ITEM	DESCRIPTION	ESTIMATED HOURS	LABOR RATE (per hour)	EXTENSION
A	Monday through Friday (excluding holidays) - Regularly Scheduled Service Hours (5:00 A.M. - 11:00 A.M. and 12:00 P.M. - 10:00 P.M.)	3500 HRS	\$ <u>42.50</u>	\$ <u>148,750.00</u>
B	After hours and emergency road service.	13 HRS	\$ <u>63.00</u>	\$ <u>819.00</u>
C	Travel time rate applies to Item B only. One (1) hour Maximum billable per call-out.	15 HRS	\$ <u>Ø</u>	\$ <u>Ø</u>
TOTAL QUOTE FOR LABOR				\$ <u>149,569.00</u>

ONLY THE TOTAL QUOTE FOR LABOR WILL BE READ AT THE BID OPENING

****TAXES**

1.	Do not include any use, or federal excise tax in your bid. The city is exempt from the payment of federal excise tax and will add use tax as applicable.
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DELIVERY DESTINATION

1.	Prices quoted herein are effective through completion of delivery against this Contract.
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Delivery Location: Corporation Yard Fleet Management Facility, (9191 E. San Salvador Dr. Scottsdale, AZ) AND the McKellips Fleet Management Facility, (7601 E. McKellips Rd. Scottsdale, AZ)

ADDENDA

The bidder hereby acknowledges receipt of and agrees his bid is based on the following Addenda.	
ADDENDUM # _____ DATED _____	ADDENDUM # _____ DATED _____
ADDENDUM # _____ DATED _____	ADDENDUM # _____ DATED _____

NO BID: If no bid please state reason:	

COMPANY NAME: GCR Tire Centers

EXHIBIT C
AGREEMENT WITH
BRIDGESTONE AMERICAS TIRE OPERATIONS, LLC (dba GCR Tires & Service)
FOR
Tire Service Worker(s)

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the parties may agree, in writing, that the Dispute will be decided by binding arbitration in accordance with Commercial Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 10 years experience, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
 - 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
 - 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
 - 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.
3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.
 4. **Exceptions.**
 - 4.1 Third Party Claims. City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.
 - 4.2 Liens. City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
 - 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.



Bridgestone Americas Tire Operations, LLC
535 Marriott Drive, Nashville, TN 37214

Attachment 1

Date: July 22, 2014

Bridgestone Americas Tire Operations, LLC ("BATO") provides the following explanation in lieu of the representation made in Section 3.2(b). of the Agreement by and between BATO and the City of Glendale.

BATO is a wholly owned subsidiary of Bridgestone Americas, Inc. ("BSAM"). Bridgestone Corporation ("BSJ"), BSAM's ultimate parent and a Japanese corporation, entered into a criminal plea agreement on October 5, 2011 in the US District Court for the Southern District of Texas, Houston Division, relating to antitrust and Foreign Corrupt Practices Act violations occurring over five years ago. While BSJ was temporarily excluded from government contracting, on April 27, 2012, in accordance with FAR Subpart 9.4 and the Consolidated Appropriations Act of 2012, the Air Force Suspending and Debarring Official lifted the exclusion and determined that no further action was necessary to protect the interests of the government. BSJ is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

On February 13, 2014, the U.S. Department of Justice and BSJ, announced in separate news releases that BSJ had entered into a plea agreement, subject to court approval, with the U.S. Department of Justice. On April 30, 2014, the US District Court for the Northern District of Ohio accepted the plea agreement, and BSJ pled guilty to one count of violating Section 1 of the Sherman Act. The plea agreement and the guilty plea of Bridgestone Corporation do not involve BSAM, its subsidiaries, personnel or businesses, including BATO. We are notifying you in order to make clear that Bridgestone Americas has no responsibility for this situation. We will continue to update you as we become aware of any new developments. We will, of course, also let you know if any other notification requirements are triggered in the future. Please contact the Bridgestone Americas Law Department if you have any questions related to this matter.



Bridgestone Americas Tire Operations, LLC
535 Marriott Drive
Nashville, TN 37214

These standard Bridgestone warranties and limitations (the "BATO Warranties and Limitations") together with the agreement between Customer and Bridgestone Americas Tire Operations, LLC ("BATO") to which these BATO Warranties and Limitations are attached (collectively, the "Agreement") shall constitute the entire agreement between BATO and Customer and shall be incorporated and become an integral part of the Agreement. In the event of a conflict or inconsistency between anything else in the Agreement and the BATO Warranties and Limitations, the BATO Warranties and Limitations shall govern.

PRODUCTS. All new products ("Products") supplied by BATO are subject to manufacturer's standard limited warranties as in effect at the time of delivery. As the exclusive remedy for breach of this warranty, BATO, at its option, shall: (a) repair the Products, (b) replace the Products, or (c) refund the fees paid and attributable to the Products at issue for the then-current Period. Customer will make no set-off, without the written consent of BATO, for warranty claims or adjustments against any sum otherwise owing to BATO, but settlement of such claims and adjustments will be in accordance with BATO's warranty procedures then in effect. All warranty claims will be submitted to BATO in accordance with warranty claims procedures in effect at the time of claim, unless BATO notifies Customer otherwise.

SERVICES. BATO warrants that the services it provides ("Services") will be performed in a good workmanlike manner, with that standard of care, skill, and diligence normally provided by a similar professional in the performance of similar services in accordance with applicable specifications and industry standards. As the exclusive remedy for breach of this Services warranty, BATO, at its option, shall: (a) correct or re-perform any Service that is in breach of the warranties expressed herein or (b) refund the fees paid and attributable to the Services at issue.

LIMITATIONS. The warranties do not apply to any errors, problems, or defects in the Products or Services resulting from or caused by Customer or a third party on behalf of Customer, acts or omissions by Customer in violation of the terms of the Agreement and/or contrary to BATO's instructions, or modifications to the Products or Services not performed by BATO or its subcontractors. No claim based on the warranties set forth herein will be greater in amount than the payments paid for the Products and/or Services in respect of which damages are claimed, and BATO's liability will be limited to such amount. No suit or claim based on any cause of action, regardless of form (excluding suits or claims based on debts owing to BATO), arising out of or in any way connected with the Agreement, may be brought by either Customer or BATO (or any party claiming by, through, or under either of them) more than two (2) years after such cause of action accrued. **OTHER THAN THE WARRANTIES STATED IN THE AGREEMENT, BATO DOES NOT MAKE ANY AND EXPRESSLY DISCLAIMS ALL: 1) WARRANTIES EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, 2) ANY OTHER OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT OR OF WARRANTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING AND NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY NOR ITS PARENT, SUBSIDIARIES OR AFFILIATED ENTITIES, BE LIABLE FOR ANY INCIDENTAL, EXEMPLARY, SPECIAL, INDIRECT, CONTINGENT, PUNITIVE OR CONSEQUENTIAL DAMAGES, WHETHER ARISING OUT OF BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, WHETHER BASED IN AGREEMENT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE, OF ANY KIND OR NATURE, INCLUDING WITHOUT LIMITATION, LOSS OF ACTUAL OR ANTICIPATED PROFITS, REVENUES, OR BUSINESS, LOSS OF GOODWILL, LOSS OF USE OF PRODUCTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, FACILITIES, SUBSTITUTE PRODUCTS OR SERVICES, DOWNTIME, DELAY OR SLOWDOWN COSTS, SPOILAGE OF MATERIAL, OR FOR ANY OTHER TYPE OF ECONOMIC LOSS, DIRECT OR INDIRECT, WHETHER OR NOT THE OTHER PARTY WAS AWARE OR SHOULD HAVE BEEN AWARE OF THESE OR ANY OTHER DAMAGES OR IF SUCH DAMAGE COULD HAVE BEEN REASONABLY FORESEEN.** All the limitations and disclaimers expressed herein shall apply to claims of Customer's customers or any third party asserted by Customer against BATO for indemnity or contribution as well as direct claims of Customer against BATO, provided that Customer may assert a claim against BATO to the extent a third party, other than Customer's customers, asserts such claims against Customer.

FORCE MAJEURE. BATO shall not be liable for any delay, damage or non-performance as a result of any cause or event beyond reasonable control of BATO, including act of God, act of Customer, labor disputes, compliance with government regulations, equipment failure, shortages or delays in transportation or raw materials, embargo or other war, riot, defaults of common carriers, inability to obtain labor, materials or manufacturing facilities, or delays in the performance of suppliers or subcontractors. Customer's exclusive remedy for BATO's inability to deliver for any reason set forth above shall be the right of rescission of the Agreement.