

UTAH TRANSIT AUTHORITY

Contract 18-2595PP
Bus Tire Lease Services

NOTICE OF OPTION EXERCISE

Michelin North America, Inc
Attention: Carmel Novak
Carmel.novak@michelin.com

September 10, 2021

Contract 18-2595PP Notice of **Option Exercise**:

This is notice that UTA intends to exercise option years one and two under Contract 18-2595PP.

By signing below, Contractor acknowledges UTA's exercise of option years one and two and agrees to the terms described below:

1. UTA is exercising the First and Second option Years. The contract term is hereby extended through November 31, 2023.
2. Option Year pricing as shown in Exhibit A and attached service price adjustment proposal and are hereby accepted.
3. All other terms and conditions remain unchanged.

Agreed to as of the date written above.

MICHELIN NORTH AMERICA:

DocuSigned by:

Carmel Novak
Carmel Novak

Name: Director of Sales - services & solutions
Title:

UTAH TRANSIT AUTHORITY:

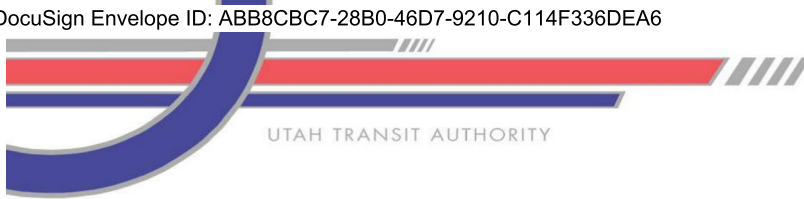
Masy DeLoretto
Interim Executive Director

Eddy D. Cumins
Chief, Operating Officer

DocuSigned by:

Mike Bell

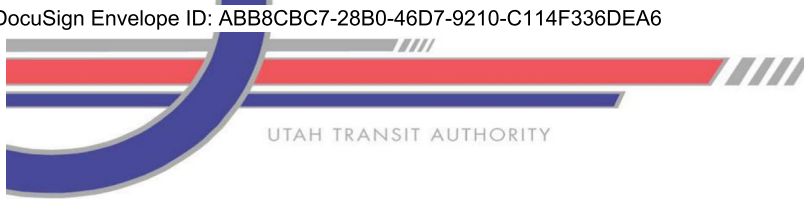
Michael Bell
Assistant Attorney General

**Pricing Option #1:**

Lease of Tires with Service:							
<i>This is UTAs best estimate of annual bus miles to be covered by this contract, by tire size, and may change</i>							
Group	Tire Size	Estimates Annual Miles	Number of Wheels	Dec 2021-2022 Annual Single Tire Rate	Estimated 2021-2022 annual lease	Dec 2022-2023 Annual Single Tire Rate	Estimated annual lease
1	275/70R X 22.5	60,000	6	\$0.00803	\$2,890.80	\$0.00843	\$3,034.80
2	305/85R X 22.5	12,474,000	6	\$0.00830	\$621,205.68	\$0.00872	\$652,639.68
3	12R X 22.5	2,016,000	6	\$0.00830	\$100,396.80	\$0.00872	\$105,477.12
4	305/70R 22.5	1,218,000	10	\$0.00666	\$81,118.80	\$0.00699	\$85,138.20
5	305/70R 22.5	560,000	6	\$0.00666	\$22,377.60	\$0.00699	\$23,486.40
6	315/80R 22.5	2,646,000	8	\$0.00573	\$121,292.64	\$0.00602	\$127,431.36
7	225/75R 16.0	3,510,000	6	\$0.00349	\$73,499.40	\$0.00366	\$77,079.60

Monthly Tire Service Charge:										
<i>589 Buses= \$3,660 Total Tires (Group 1-5,7 have 6 tires ea, Group 4 has 10, Group 6 has 8)</i>										
Date option price begins	Meadowbrook		Central		Ogden		Timp		Riverside	
	Per Month	Annual	Per Month	Annual	Per Month	Annual	Per Month	Annual	Per Month	Annual
Dec 1, 2021	\$47,635	\$571,620	\$5104	\$61,245	\$5,104	\$61,245	\$5,104	\$61,245	\$5,104	\$61,245
Dec 1, 2022	\$50,015	\$600,180	\$5,359	\$64,305	\$5,359	\$64,305	\$5,359	\$64,305	\$5,359	\$64,305
Dec 1, 2023	\$52,518	\$630,210	\$5,627	\$67,523	\$5,627	\$67,523	\$5,627	\$67,523	\$5,627	\$67,523

Cost Per 32nd of an inch of thread:	
Tire Size	Cost
275/70R X 22.5	\$27.50
305/85R X 22.5	\$36.50
12R X 22.5	\$36.50
305/70R 22.5	\$35.15
225/75R 16.0	\$10.25
315/80R 22.5	\$40.25

**Purchase price of retreadable tire casings owned by UTA:**

Value of casing is based on 1) purchasing a "virgin" never capped casing manufactured by supplier, 2) payment and/or credit is issued after integrity of casing is approved by retreader

Tire Size	Purchase Price ea
275/70R X 22.5	\$25.00
305/85R X 22.5	\$40.00
12R X 22.5	\$40.00
305/70R 22.5	\$50.00
225/75R 16.0	\$0.00
315/80R 22.5	\$50.00

Aluminum Wheel Cleaning:

Year	Estimated Qty:	Estimated Total
Dec 1, 2021	1,316	\$21,714.00
Dec 1, 2022	1,408	\$24,288.00
Dec 1, 2023	1,506	\$27,108.00

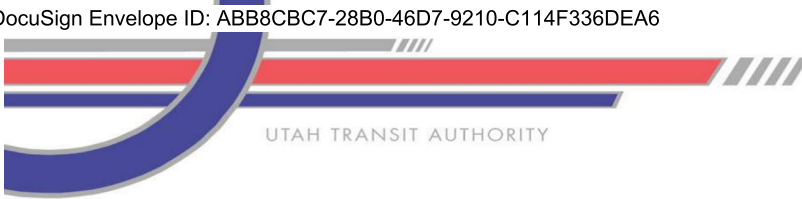
Commercial Wheel Maintenance

Year	Estimated Qty:	Estimated Total
Dec 1, 2021	415	\$13,072.50
Dec 1, 2022	386	\$12,738.00
Dec 1, 2023	359	\$12,385.50

Re-Torquing

Year	Estimated Qty:	Estimated Total
Dec 1, 2021	5,152	\$18,032.00
Dec 1, 2022	5,512	\$19,843.20
Dec 1, 2023	5,898	\$22,412.40

Tire Weights: Tire weights will be purchased from UTA and a credit in the amount of - \$2,008.00 will be provided.



MICHELIN NORTH AMERICA, INC
Michelin Fleet Solutions, Tire Leasing
One Parkway South
P.O. Box 19001
Greenville, SC 29602-9001
Phone: 1-864-458-5000

March 4, 2021

UTAH TRANSIT AUTHORITY
669 West 200 South
Salt Lake City, UT, 84101
Attn: Kyle Stockley,
Manager Vehicle Overhaul & Bus Support

SUBJECT:
Service Price Adjustment Proposal

Mr. Stockley,

The purpose of this letter is to propose an amendment to the current Agreement between Michelin North America and Utah Transit Authority (UTA) dated December 1, 2018, contract number UT-18-2595PP.

As a result of the service personnel reduction of one (1) Michelin fleet operator, this letter proposes that Michelin shall decrease the monthly service price amount in the amount of \$5,345.00 per month to Michelin. All other provisions, terms and conditions of the Agreement shall remain unchanged.

Michelin proposes the below rates adjustments:

Contract Term	Current Contract Rate	Proposed Contract Rate Adjustment
March 1, 2021 – November 30, 2021	\$ 68,051.00	\$ 62,706.00
December 1, 2021 – November 30, 2022	\$ 71,331.00	\$ 65,986.00
December 1, 2022 – November 30, 2023	\$ 75,026.00	\$ 69,681.00

At your earliest convenience, please respond to this email / letter to let us know if UTA agrees with this rate change or if there are any questions or concerns.

Regards,

Dan O'Brien