

Term Contract No. 060E

STATE OF NORTH CAROLINA, DEPARTMENT OF ADMINISTRATION		
DIVISION OF PURCHASE AND CONTRACT		
116 West Jones Street, Raleigh, NC 27603-8002		
Term Contract	060E	Tire Retreading
Effective Dates	January 9, 2009 through September 30, 2010	
Bid Number	801523	
Administrator	Cathy Griner	
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Last Updated	August 30, 2010	

1. GENERAL INFORMATION

This is an e-procurement contract. See E-Procurement link: [Statewide E-Procurement Project](#)

Please be sure to read this contract in its entirety. The contract includes new language and requirements and is different than past retread contracts.

2. SCOPE OF CONTRACT

The purpose of this contract is to furnish and deliver retread tires as defined herein. Tires to be retread under this contract are of various sizes, of radial construction, and various tread designs for different applications.

It is the policy of this State to encourage and promote the purchase of products with recycled content. All State departments, institutions, agencies, community colleges, and local school administrative units shall, to the extent economically practicable, purchase and use, or require the purchase and use of, products with recycled content.

This contract is for use by all state agencies, departments, institutions, universities, community colleges (except those exempted by statute), and certain non-state agencies. The major users of this contract are the NC Department of Transportation and Local Education Authorities.

NON-STATE AGENCIES ELIGIBLE TO PARTICIPATE IN THIS CONTRACT

In accordance with North Carolina General Statutes, certain non-state entities described below, may participate in this contract on a voluntary basis. Any of the non-state entities that choose to participate in this contract must abide by the terms and conditions that are set forth in this contract.

Nonprofit corporations operating charitable hospitals, local nonprofit community sheltered workshops or centers that meet standards established by the Division of Vocational Rehabilitation of the Department of Health and Human Services, private nonprofit agencies licensed or approved by the Department of Health and Human Services as child placing agencies, residential child-care facilities, private nonprofit rural, community, and migrant health centers designated by the Office of Rural Health and Resource Development, private higher education institutions, counties, public school units, cities, towns, governmental entities, volunteer fire departments, rescue squads, and other subdivisions of the State and public agencies thereof.

3. PURCHASES FROM OTHER SOURCES:

It shall be understood and agreed that if and when the need arises, including for purposes of retread testing and evaluation, users of this contract may at the State's sole option (or at the non-state agency's sole option, if applicable) purchase certain retread products for special purposes from sources other than this contract. In addition, the State reserves the right to purchase retread tires from other sources when the required retread type, product, and/or size is not available from this contract.

4. TAXES

Prices listed on this contract do not include any North Carolina sales or use taxes.

5. TRANSPORTATION CHARGES

All prices listed on this contract include all transportation charges for the pick up of used casing(s) and the return of the retread tire(s) to user's location, without additional charge, regardless of the quantity.

6. MINIMUM ORDERS

There is no minimum order quantity.

7. ABNORMAL QUANTITIES

Any agency requirement that exceeds \$50,000.00, must be forwarded to the Division of Purchase and Contract for processing. The Division, at its sole discretion, may process any such requirement in one of the following ways:

1. Purchase may be authorized at the current level of pricing with the current contract vendor(s)
2. Additional discounts from the current level of pricing may be negotiated with the current contract vendor(s)
3. A separate Invitation for Bids may be issued for the requirement

8. PLACEMENT OF ORDERS

Orders are to be placed throughout the contract period on an as-needed basis for the quantity required at the time, and are to be issued directly to the respective contractor.

9. ORDERING INFORMATION:

Contractors are required, upon request of any user, to provide the user with catalogs, descriptive literature, and a listing of authorized dealers complete with toll free phone and FAX numbers. This information is to be provided to the ordering agency within 5 business days of the request. Such information shall be provided at no charge to the user.

10. CONTRACT CHANGES:

Contract changes, if any, over the life of the contract are implemented by contract addenda released by the Contract Administrator. If the contractor is accepting orders and/or delivering through other parties, for example a manufacturer accepting orders and delivering through a dealer network or dealers receiving orders through a network of other dealers, then it is the responsibility of the contractor to apprise such parties of all such contract addenda.

If subcontractors are used by the contractor to perform the retreading or repairing processes, or any part thereof, these subcontractors cannot be changed for the life of the contract without written approval from the Contract Administrator.

11. SUBSTITUTIONS:

Substitutions are not permitted without prior written approval of the Division of Purchase and Contract. Failure of the contractor to comply with this requirement may result in the removal of the contractor from the contract. Any approved substitutions will be noted on the contract.

12. PRICE INCREASES:

All price increase requests by the contractor must be in accordance with the NC General Terms and Conditions and must be approved, in writing, by the Division of Purchase and Contract. All price changes will be noted in the "Addendum" section of this contract and the correct pricing will be listed on the contract.

13. PRODUCT RECALL

Contractor(s) expressly assumes full responsibility for prompt notification to all ordering agencies and the Contract Administrator of any product recall in accordance with all applicable state and/or federal regulations.

14. CASING AND TIRE IDENTIFICATION AND RECORDING:

Each casing picked up by the contractor from the user's site shall be identified, marked, and continuously tracked through the retreading process in such a manner that the same casing, as a retreaded tire, shall be returned to that particular user, and identifiable by user as belonging to him and specifically correlated to the particular casing used for the retread. Therefore, upon delivery the retreaded tire shall bear, as either a temporary or permanent marking, at the bidder's option, the same unique tracking code or number which it was assigned by bidder upon pickup as a casing.

A copy of an itemized list showing all casings picked up at the user's site, each casing referenced in the same manner identified and marked by the contractor, shall be provided to the user BEFORE the casings are removed. The contractor shall retain a copy of same record, with signature and signature date by an authorized representative of the user at the pickup location. At the contract administrator's request, the contractor shall provide to the administrator a copy of any such list(s) requested, properly signed by the user's representative as specified above.

If there is a shortage of casings in the delivered retreads, the contractor shall either (a) provide the user with replacement casings of value equal to the missing casing(s) at no charge, or (b) reimburse the user the full market value of the missing casing(s). Such full market value shall be determined by a publication of national or regional circulation and acceptance.

15. INFORMATION REQUIRED ON SIDEWALL:

In accordance with Federal Motor Vehicle Safety Standard (FMVSS) 49 CFR Part 574, information to be permanently molded or branded into or onto one sidewall shall consist of:

- (a) The retreader's assigned identification mark
- (b) Tire size
- (c) Tire type code, or brand-name-owner identification
- (d) Code for week and year of manufacture.
- (e) The DOT symbol with a following "R" (for retread), as required by FMVSS shall be located on the sidewall as specified in Figure 2 of Part 574.

All retreads produced under this contract, in addition to the above information required by FMVSS, shall also have molded or branded into the sidewall, in a location adjacent or near the above information:

- (f) The maximum cold inflation pressure (in PSI)
- (g) The load limit (lbs). The retreader shall not change any information on the casing sidewall concerning the stated load capacity of the tire.
- (h) In sizes that may be used in either the single or dual configuration, pressures and load limits for BOTH configurations shall be provided and properly identified.
- (i) The total number of times the tire has been retreaded. (Picked-up casings which have been previously retreaded should have such marking already on the sidewall.)

16. TIRE INSPECTION:

The contractor shall inspect the casing at his plant at time of receipt, then again during the retreading process, and finally after completion of the process. In accordance with North Carolina Senate Bill 1797, each casing shall receive a state-of-the-art inspection with the use of shearography, ultrasound, electrostatic discharge, high pressure testing, or other industry standard testing methodology.

17. REJECTED CASINGS:

If a casing or in-production retread is rejected by the contractor, such unsuitable casing or retread shall be returned to the user without charge, regardless of the amount of work that may have been performed on the casing/retread, and a written report citing the specific reason(s) for the rejection shall be submitted to the user.

If the State determines that the contractor is rejecting casings that are indeed suitable for retreading, the State at its sole option may cancel the contract with that contractor immediately.

18. FINAL INSPECTION:

The final inspection shall be in accordance with the provision for "Final Inspection" in "Industry Recommended Practices for Tire Retreading & Tire Repairing." Specifically, the final inspection will include at least a visual examination of the tire while mounted on a spreader under adequate lighting, and the inside and outside of the tire shall be checked. The visual inspection shall be in complete compliance with the final inspection requirements in the above publication.

In addition, due to safety considerations with respect to some of NCDOT's very heavy hauling loads (e.g. dump trucks hauling 15 cubic yards of aggregate), **FOR BEAD-TO-BEAD RETREADS ONLY**, the final inspection shall ALSO include the proper use of high-pressure testing (such as a Matussi machine).

19. RETREADING METHODS:

All tire retreading and repairing is to be in full accordance with "Industry Recommended Practices for Tire Retreading & Tire Repairing," latest revision in effect during the life of the contract. All addenda attached thereto are considered a part of that document.

20. REPAIR CHARGES:

Charges for repairs are listed with the pricing information, section #27. For definitions of repair terms used below, see section #21. Any repairs which are required during the retread process may be billed only as follows:

(1) SPOT REPAIRS:

ALL spot repairs are included in the price for the retread tire. No separate charges for any spot repairs performed on these tires may be billed. All required spot repairs shall be performed, regardless of the number of spot repairs required. Contractor's adherence to this requirement is essential due to SAFETY considerations. Because of the seriousness of this matter, if it is determined by the State at any time, by any means, including but not limited to investigation of failures of retreads purchased from contractor and unannounced audits at contractor's plant, that contractor has willfully failed, or is willfully failing, to perform all required spot repairs, the contract may be immediately terminated and remedies sought in accordance with the contract General Contract Terms and Conditions.

(2) SECTION REPAIRS: For ALL users, only section repairs that are visually verifiable on the finished retread shall be charged for. In addition, all section repairs for each tire shall be approved by the user before being performed.

(3) NAIL HOLES: For ALL users, only nail hole repairs that are visually verifiable on the finished retread shall be charged for. All necessary nail hole repairs shall be performed. Advance approval by the user is not required.

(4) OTHER REPAIRS: There shall be no charges for repairs other than of the above types.

21. DEFINITIONS:

The following definitions, which are taken from "Industry Recommended Practices for Tire Retreading & Tire Repairing," apply to this bid:

Nail hole: A penetration in the tread area caused by a small object, not to exceed 1/4" (6mm) in a passenger tire or 3/8" (10mm) in a light or medium truck tire.

Spot repair (radial): A repair that is in the rubber portion of the casing only; can be to, but not through any ply. Minor repairs are allowed to belts in the tread area.

Section repair: Repairs, other than nail holes, made to the casing when an injury has extended through 75% or more of the actual plies, or completely through the casing in the tread or sidewall areas. Some jurisdictions may have different limits. [NOTE: The State of North Carolina retread contract adopts these limits.]

All other definitions in "Industry Recommended Practices for Tire Retreading & Tire Repairing," as applicable, apply to this contract.

22. MAXIMUM ALLOWABLE AGE OF CASING:

Casings which are more than six (6) years old shall not be retreaded. If user accidentally presents to contractor for pickup a casing older than this, contractor shall return such casing to user, with written explanation.

23. MAXIMUM ALLOWABLE NUMBER RETREADS ON A CASING:

Casings may be retreaded a total of three (3) times during the life of the casing for the LEAs.

Casings may be retreaded a total of three (3) times during the life of the casing for NCDOT and all other users.

These limits include retreads on the casing completed prior to this contract. If number of times casing has been retreaded is not indicated on the sidewall as received by contractor, then contractor is to request from user and receive in writing a statement of how many times the casing has been retreaded so that contractor can place correct information concerning same on the sidewall (see "Information Required on Sidewall" herein). If such statement is not received from user, contractor shall return the casing at issue to the user, with written explanation.

24. MAXIMUM ALLOWABLE NUMBER OF NEW NAIL HOLES ON A CASING:

The maximum number of nail holes permissible for a casing to be retreaded under this contract is as specified in "Recommended Specification Guidelines For Preparing a Tire Retread and Repair Government Bid" (published by Goodyear, as presented on the Tire Retread Information Bureau website:

<http://www.retread.org/PDF/RetreadSpecGuide2003.pdf>). See section for "Radial Repairs, Nail Hole", which reads as follows:

RADIAL REPAIRS

Nail Hole:

Nail hole injuries may be repaired before or after a tire is buffed. Any number of nail holes may be repaired in the repairable area of a radial truck tire. The only limiting factor is that the repair patches do not overlap. Injuries 3/8" (9mm) and smaller through the approved repairable crown area shall be repaired using a repair patch and a suitable fill material in the injury. If the injury is larger than 3/8" (9mm) in the crown area after the damage and rust have been removed, the tire will require a section repair.

Any injury through the ply cords of a sidewall will require a section repair.

25. TIRE PERFORMANCE:

The State shall receive a premium retread that will provide optimum tire mileage/service, and safety. This is NOT a performance warranty. In the line item pricing, (section 28) the anticipated average tread wear mileage for each of the retread type(s) offered herein, separately for bead-to-bead and pre-cure, and also separately for NCDOT and LEA usage are identified by each contractor's name. This information should be considered by users when selecting retreads from this contract. If a contractors' stated mileage expectation is significantly higher than the actual results obtained, this information may be considered in the future bid solicitations and contract awards.

26. WARRANTY:

All retread tires shall be warranted to be free from defects in workmanship and materials and to give satisfactory service under normal operating conditions for the life of the tread. Should the retread fail while in service and the cause is determined to be faulty workmanship and/or materials, the tire shall be returned to the contractor and be adjusted on the following scale:

Tread life Remaining	% of Credit to Agency
100-80%	100%
79-60%	75%
59-40%	50%
39-20%	25%
19-0%	0%

For retreads provided under this contract, IF THE FAILURE RATE EXCEEDS 1/2 of 1% (0.5%), the contract with that contractor for that type of retread may be immediately terminated and remedies sought in accordance with the contract General Contract Terms and Conditions.

A failure is defined as any event, EXCEPT for road hazards, normal wear and tear, improper inflation, wheel misalignment, vehicle damage, improper mounting by other than contractor, or damage caused by abuse, neglect, collision, vandalism, fire, or chemical corrosion, which results in the tire no longer able to perform in its intended and proper use. Failure rate is defined as the percentage of failed retreads of a particular type (bead-to-bead or pre-cure) which have been delivered by the contractor to a given user (either (a) NCDOT, or (b) the entire group of LEAs), up to that time, when compared against the total number of retreads delivered for that type of retread, by that contractor, to that user, up to that time. For example, if Contractor A has delivered 2000 pre-cure retreads under this contract to NCDOT through March 1, 2009, and on that date the 11th failure of Contractor A's pre-cure retreads delivered to NCDOT occurs, then Contractor A has exceeded the 0.5% failure rate allowance.

27. DELIVERY AND PICKUP:

Contractor agrees to pick up casings from users' site anywhere in the State of North Carolina, two times every month, spaced within approximately equal time intervals. During such pickup the contractor will also deliver all newly retreaded tires intended for that respective user. All charges for pickup and delivery are included in the bid price. A user may give written notice to contractor that it requires less frequent service than stated above and contractor may provide such user service on the allowable less-frequent schedule.

The state expects the delivery schedule to be firm and fully expects compliance with the stated delivery schedule. Failure of the contractor to meet delivery schedules may be cause for removal from the contract.

If there is a shortage of casings in the delivered retreads, the contractor shall either (a) provide the user with replacement casings of value equal to the missing casing(s) at no charge, or (b) reimburse the user the full market value of the missing casing(s). Such full market value shall be determined by a publication of national or regional circulation and acceptance.

In the event the delivery is not received within the contract delivery period, the contractor may be held in default in accordance with paragraph 1, DEFAULT AND PERFORMANCE BOND, in the North Carolina General Contract Terms and Conditions, and the State may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby.

If circumstances beyond the control of the contractor result in a late delivery, it is the responsibility and obligation of the contractor to make the details known immediately to the using agency and the Contract Administrator.

28. ITEM PRICING

28.A. GROUP 1: Bead to Bead Retreads for DOT (All Regions Combined)

CONTRACTOR: WHITE'S TIRE SERVICE

ITEM	TIRE SIZE	TREAD	TREAD DEPTH 32nds MINIMUM	EXPECTED MILEAGE As Stated by Contractor	PRICE - Each
1.	11R22.5	RIB (HWY)	19/32	38,000 – 50,000	\$122.89
2.	11R22.5	LUG (TRACTION)	24/32	38,000 – 50,000	\$139.14
3.	NAIL HOLE REPAIRS FOR ITEMS 1 & 2				No Charge
4.	SECTION REPAIRS FOR ITEMS 1 & 2				No Charge
5.	1400R24	NON DIRECTIONAL	32/32	38,000 – 50,000	\$433.60
6.	NAIL HOLE REPAIRS FOR ITEM 5				No Charge
7.	SECTION REPAIRS FOR ITEM 5				No Charge

28.B. GROUP 2: Bead to Bead Retreads for LEA's (All Regions Combined)

CONTRACTOR: WHITE'S TIRE SERVICE

ITEM	TIRE SIZE	TREAD	TREAD 32nds MINIMUM	EXPECTED MILEAGE As Stated by Contractor	PRICE - Each
8.	11R22.5	RIB (HWY)	19/32	16,000 – 32,000	\$122.89
9.	11R22.5	LUG (TRACTION)	24/32	16,000 – 32,000	\$139.14
10.	255/70R22.5	RIB (HWY)	18/32	16,000 – 32,000	\$113.01
11.	265/75R22.5	RIB (HWY)	18/32	16,000 – 32,000	\$115.91
12.	900R20	RIB (HWY)	18/32	16,000 – 32,000	\$115.91

REPAIRS: LEAs use the DOT pricing listed for bead to bead nail hole and section repairs.

28.C. GROUP 3: Standard (Pre-cure) Retreads for DOT (All Regions Combined)

There are multiple awards for precure tires. Listed below are the tread depth, expected mileage and pricing offered by each contractor.

ITEM	TIRE SIZE	TREAD	TREAD DEPTH 32nds MINIMUM	EXPECTED MILEAGE As Stated by Contractor	PRICE – Each
13.	11R22.5	LUG (TRACTION)			
CONTRACTORS:	Maness Tire and Recapping		18/32	25,000	\$99.13
	White's Tire Service		19/32	26,000 – 45,000	\$94.81

14.	NAIL HOLE REPAIRS FOR ITEM 13				PRICE - Each
CONTRACTORS:	Maness Tire and Recapping				\$8.88
	White's Tire Service				No Charge

15.	SECTION REPAIRS FOR ITEM 13				PRICE - Each
CONTRACTORS:	Maness Tire and Recapping				16.14
	White's Tire Service				No Charge

GROUP 3: Standard (Pre-cure) Retreads for DOT (All Regions Combined) Continued:

There are multiple awards for precure tires. Listed below are the tread depth, expected mileage and pricing offered by each contractor.

ITEM	TIRE SIZE	TREAD	TREAD DEPTH 32nds MINIMUM	EXPECTED MILEAGE As Stated by Contractor	PRICE – Each
16.	1400R24	NON DIRECTIONAL			
CONTRACTORS:	Maness Tire and Recapping		31/32	25,000	\$315.69
	White's Tire Service		31/32	26,000 – 45,000	\$331.52

17.	NAIL HOLE REPAIRS FOR ITEM 16			PRICE - Each
CONTRACTORS:	Maness Tire and Recapping			\$23.11
	White's Tire Service			No Charge

18.	SECTION REPAIRS FOR ITEM 16			PRICE - Each
CONTRACTORS:	Maness Tire and Recapping			\$41.79
	White's Tire Service			No Charge

28.D. GROUP 4: Standard (Pre-cure) Retreads for LEA's (All Regions Combined)

There are multiple awards for precure tires. Listed below are the tread depth, expected mileage and pricing offered by each contractor.

ITEM	TIRE SIZE	TREAD	TREAD DEPTH 32nds MINIMUM	EXPECTED MILEAGE As Stated by Contractor	PRICE - Each
19.	11R22.5	RIB (HWY)			
CONTRACTORS:	Maness Tire and Recapping		18/32	25,000	\$117.73
	White's Tire Service		18/32	14,000 – 30,000	\$89.32
20.	255/70R22.5	RIB (HWY)			
CONTRACTORS:	Maness Tire and Recapping		18/32	25,000	\$102.27
	White's Tire Service		18/32	14,000 – 30,000	\$82.24
21.	265/75R22.5	RIB (HWY)			
CONTRACTORS:	Maness Tire and Recapping		18/32	25,000	\$107.80
	White's Tire Service		18/32	14,000 – 30,000	\$84.22
22.	11R22.5	LUG (TRACTION)			
CONTRACTORS:	Maness Tire and Recapping		24/32	25,000	\$142.19
	White's Tire Service		24/32	14,000 – 30,000	\$91.93

REPAIRS: LEAs use the DOT pricing listed for precure nail hole and section repairs.

29. Contractors

All known minority, women and disabled owned businesses, as well as disabled business enterprises and nonprofit work centers for the blind and severely disabled, including dealers, will be identified with "Minority owned" "Woman owned", "Disabled Owned", "DBE" or "BSD" as appropriate after the vendor number. This is being done in an effort to recognize these businesses and to encourage and promote their use to the greatest extent permitted by law.

When more than one supplier is listed for a particular item, selection should be made, whenever possible, from any of the groups identified above, consistent with agency needs and price considerations.

Contractor Name/ Federal ID Number	Address	Contact Name	Phone Fax Email
Maness Tire and Recapping, Inc. 56-1735947	611 Airport Rd. Rockingham, NC 28379	Terry Lewis	800-826-9158 (Toll Free) 910-410-8200 (Phone) 910-410-8201 (Fax) tblewis15@yahoo.com
White's Tire Service of Wilson, Inc. 56-0791809	701 Hines Street South PO Box 1469 Wilson, NC 27894-1469	Robert White	800-732-6293 (Toll Free) 252-237-5429 (Phone) 252-291-0108 (Fax) Whitestire701@embarqmail.com

30. Contract Addenda

Addendum #	Posted Date	Effective Date	Action
1	July 9, 2009	July 9, 2009	Snider Tire Removed from Contract
2	September 24, 2009	September 24, 2009	Maximum number of retreads on a casing for LEAs is changed from 2 to 3.
3	November 9, 2009	November 9, 2009	Contract extended for 90 days through February 28, 2010
4	February 19, 2010	February 28, 2010	Contract extended for 90 days through May 31, 2010
5	May 17, 2010	May 31, 2010	Contract extended through July 31, 2010
6	July 27, 2010	July 31, 2010	Contract extended through August 31, 2010
7	August 30, 2010	August 31, 2010	Contract extended through September 30, 2010