

Proposer's Name: Michelin North America, Inc.

COST PROPOSAL FOR RFP NO. 12502217

The Contract shall be in effect for three (3) years with two (2) one-year optional extensions from the date of the Notice to Proceed. The Contract may be extended in accordance with the provisions set forth in the Special Conditions of these Specifications. Having carefully examined the Request for Proposals (RFP), attachments, and related documents, the undersigned proposes and agrees to provide to the City of Fresno, in accordance with the Specifications annexed hereto and made a part thereof, the following items and services delivered F.O.B. Destination, Freight Prepaid & Allowed, to the jobsite(s) as specified in the Special Conditions of the RFP specifications, at the following rates:

A. Year One				
Item	Radial Tire Lease	Tire Rate Per Mile	Estimated Tire Miles	Annual Cost
1	305-70R-22.5	\$0.00805	8,127,000	\$65,422.35
2	305-85R-22.5	\$0.00931	25,917,000	\$241,287.27
Sales tax (currently at 8.35%)				\$25,610.25
Item	Description	Fixed Price Per Month	Time Frame	Annual Cost
3	Services/labor	\$16,490.00	12 Months	\$197,880.00
Year One Total:				\$530,199.87

B. Year Two				
Item	Radial Tire Lease	Tire Rate Per Mile	Estimated Tire Miles	Annual Cost
1	305-70R-22.5	\$0.00825	7,949,000	\$65,579.25
2	305-85R-22.5	\$0.00954	26,605,000	\$253,811.70
Sales tax (currently at 8.35%)				\$26,669.14
Item	Description	Fixed Price Per Month	Time Frame	Annual Cost
3	Services/labor	\$16,900.00	12 Months	\$202,800.00
Year Two Total:				\$548,860.09

C. Year Three				
Item	Radial Tire Lease	Tire Rate Per Mile	Estimated Tire Miles	Annual Cost
1	305-70R-22.5	\$0.00846	8,373,000	\$70,835.58
2	305-85R-22.5	\$0.00978	26,700,000	\$261,126.00
Sales tax (currently at 8.35%)				\$27,718.79
Item	Description	Fixed Price Per Month	Time Frame	Annual Cost
3	Services/labor	\$17,325.00	12 Months	\$207,900.00
Year Three Total:				\$567,580.37

TOTALS				
Services Charges for Tables A - C				
		Item	Radial Tires	Total Cost
		1	305-70R-22.5	\$201,837.18
		2	305-85R-22.5	\$756,224.97
Sales tax (currently at 8.35%)				\$79,998.19
		3	Services/labor	\$608,580.00
Total Amount of Cost Proposal:				\$1,646,640.34

The above amount includes all applicable taxes.

The City will pay for only those items which it actually delivered or received during the term of the Contract.

The City reserves the right to reject any and all proposals.

QUANTITIES FOR PROPOSAL BIDDING PURPOSES

The quantities listed above on the proposal page(s) are annual estimates, shown for proposal bidding purposes only. The actual requirements of the City may be more or less than the quantities specified and may vary from year to year. The City will report and pay for all vehicle tire miles actually operated during the term of the Contract. The City will pay for loss and abuse of tires per page 69, Section 10, Abuse of Tires. The City will pay for leased or purchased tires at the end of the Contract per page 48, End-of-Contract Provisions.

The minimum total tire mileage which may be applied to the lease rate under this contract shall be 175 million over the life of the contract, including both possible extensions.

The maximum total tire mileage which may be applied to the lease rate under this contract shall be 225 million over the life of the contract, including both possible extensions.

When tires are lost, stolen or damaged per page 69, Section 10, Abuse of Tires, or purchased per the End of-Contract Provisions on page 48, mileage shall be prorated by determining the number of 32nds of an inch of tread depth remaining multiplied by the following cost per 32nds of tread depth listed below:

Radial Tire	Original	Retread
305-70R-22.5	\$39.06	\$16.00
305-85R-22.5	\$41.07	\$16.00

When a tire is not available for inspection the above formula will be applied. FAX shall not reimburse the Supplier in excess of fifty percent (50%) of the current value of a similar tire, unless the Supplier can provide an accounting of the tire's accurate mileage prior to the loss.

COMPLETION OF COST PROPOSAL FORM TO BE ELIGIBLE FOR AWARD

Proposers must bid on all items within a section. A Proposer is non-responsive in the event the Proposer fails to initial this paragraph on the line provided and completely fill in the Cost Proposal Form including, without limitation, all dollar amounts, and information called for on this Cost Proposal Form. By his/her initials to the right hereof, the Proposer represents he/she has read and understands the consequences of not completely filling in this Cost Proposal Form.

Initials DO