

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 99966	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Scrap Tire Agreement

PURPOSE:

To obtain Board approval to enter into a "No Cost" scrap tire agreement that will indemnify Goodyear for WMATA's use of those scrap tires.

DESCRIPTION:

WMATA is currently in the second base year of a three year contract with 2 one year options with Goodyear Tire and Rubber, Inc(Goodyear) for the rental of bus tires.

Under the current contract Goodyear owns the tires at the end of the lease, and they remove and dispose of them as scrap tire treads get below a certain depth, and their lease life ends. This year the Authority estimates auctioning over 150 buses which have been retired from service, however scrap tires are needed for those buses so they can be towed away from WMATA's facilities by the new owners.

In the past this type of tire leasing contract has included a scrap tire agreement, however such language was inadvertently omitted from the current contract. The scrap tire agreement allows WMATA to retire vehicles from revenue service using "No Value Tires or Scrap Tires" and the estimated cost savings from using these free tires is \$370,000 per year.

However Goodyear will not enter into the attached "No Cost" agreement turning ownership of the scrap tires over to the Authority unless the current contract is modified to include a clause which indemnifies Goodyear from any liability arising from WMATA's use and possession of the tires.

The agreement provides the following: The Authority agrees not to file or assert against Goodyear any claim, action or cause of action for loss liability or damage arising out of the Authority`s use of and possession of "No Value Tires" furnished under this agreement.

The Authority agrees to indemnify, defend and hold Goodyear harmless against all claims of any party for loss, liability or damage, including injury, resulting from Goodyear furnishing of "No Value Tires" to the Authority hereunder, including any and all costs, legal fees, expenses and attorney`s fees resulting from such a claim.

The Authority agrees to dispose of each "No Value Tire" in full compliance with applicable Federal, State and local laws, rules and regulations. The Authority agrees to indemnify, save harmless and defend Goodyear from and against any and all liabilities, claims, penalties, forfeitures, suits and the costs and expenses incident thereto, (including cost to defense, settlement and reasonable attorney fees), which Goodyear may hereafter incur, become responsible for or pay out as a result of death or bodily injuries to any person, destruction or damage to any property, contamination of our adverse effects on the environment, or any violation of jurisdictional laws, regulations or orders, caused, in whole or part, by the disposal by the Authority of "No Value Tires" furnished to the Authority hereunder.

FUNDING IMPACT:

This action has no impact on funding. Under the attached agreement the scrap tires will be provided to WMATA at no cost.

RECOMMENDATION:

That the Board approve the Goodyear scrap tire agreement and indemnification clause.