



December 7, 2016  
2:00 p.m.

## **AGENDA**

**Board Budget and Finance Committee Meeting  
Riverside Transit Agency – Board Room  
1825 Third Street  
Riverside, CA 92507**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting, or any person with limited English proficiency (LEP) who requires language assistance to communicate with the Riverside Transit Agency Board of Directors during the meeting, should contact the Riverside Transit Agency Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable the Riverside Transit Agency to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda item descriptions are intended to provide members of the public a general summary of business to be conducted or discussed. Posting of any recommended action on an agenda item does not indicate what action will be taken. The Board of Directors may take any action it believes is appropriate on the agenda item and is not limited in any way by the notice of any recommendation.

All documents related to any agenda item are available for public inspection at [www.riversidetransit.com](http://www.riversidetransit.com) or through the Clerk of the Board's office at the Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507.

### **ITEM**

### **RECOMMENDATION**

- 1. CALL TO ORDER**
- 2. SELF-INTRODUCTIONS**

<u>ITEM</u>	<u>RECOMMENDATION</u>
<b>3. PUBLIC COMMENTS – NON-AGENDA ITEMS</b> Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.	<b>RECEIVE COMMENTS</b>
<b>4. <u>APPROVAL OF MINUTES – NOVEMBER 2, 2016 COMMITTEE MEETING (P.3)</u></b>	<b>APPROVE</b>
<b>5. <u>CASH FLOW PROJECTIONS (P.6)</u></b>	<b>RECEIVE AND FILE</b>
<b>6. <u>QUARTERLY CAPITAL STATUS (P.8)</u></b>	<b>RECEIVE AND FILE</b>
<b>7. <u>QUARTERLY NATURAL GAS PROCUREMENT STATUS REPORT (P.10)</u></b>	<b>RECEIVE AND FILE</b>
<b>8. <u>AUTHORIZATION TO AWARD INVITATION FOR BID NO. 16-050 TO FRITTS FORD FOR THE PURCHASE OF 10 MODEL YEAR 2017, FORD FOCUS VEHICLES (P.17)</u></b>	<b>APPROVE</b>
<b>9. <u>AUTHORIZATION TO AMEND AGREEMENT NO. 10-038 WITH THE GOODYEAR TIRE AND RUBBER COMPANY FOR BUS TIRE LEASING SERVICES (P.19)</u></b>	<b>APPROVE</b>
<b>10. BOARD MEMBER COMMENTS</b>	
<b>11. ANNOUNCEMENTS</b>	
<b>12. MEETING ADJOURNMENT</b>	

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING  
Minutes  
November 2, 2016

1. **CALL TO ORDER**

Chairman Frank Johnston called the Board Budget and Finance Committee meeting to order at 2:01 p.m., on November 2, 2016, in the RTA Board Room.

2. **SELF INTRODUCTIONS**

Chairman Johnston dispensed with self-introductions. Clerk of the Board recorded attendance.

Committee Members Attending

1. Committee Chair Brenda Knight, City of Beaumont
2. Chairman Frank Johnston, City of Jurupa Valley
3. Director Joyce McIntire, City of Calimesa
4. Director John Zaitz, City of Canyon Lake
5. Director Dick Haley, City of Corona
6. Director Linda Krupa, City of Hemet
7. Director Berwin Hanna, City of Norco
8. Director Maryann Edwards, City of Temecula
9. Alternate Verne Lauritzen, County of Riverside, District III
10. Alternate Barry Busch, County of Riverside, District V

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Tammi Ford, Clerk of the Board of Directors
3. Tom Franklin, Chief Operating Officer
4. Craig Fajnor, Chief Financial Officer
5. Vince Rouzaud, Chief Procurement and Logistics Officer
6. Laura Camacho, Chief Administrative Services Officer
7. Bob Bach, Director of Maintenance
8. Jim Kneepkens, Director of Marketing
9. Rohan Kuruppu, Director of Planning
10. Natalie Zaragoza, Director of Contracts
11. Rick Kaczerowski, Director of Information Technologies
12. Brad Weaver, Marketing Manager
13. Eric Ustation, Government Affairs Manager
14. Charlie Ramirez, Controller
15. Luciano Rose, Operations Manager
16. Stephanie Macias, Contract Operations Manager
17. Linda To, Planning Intern

Other Attendees

1. Donna Johnston, City of Jurupa Valley
2. Ryan Nielsen, Brown Armstrong

3. **PUBLIC COMMENTS – NON-AGENDA ITEMS**

None.

4. **APPROVAL OF MINUTES – OCTOBER 5, 2016 COMMITTEE MEETING**

M/S/C (ZAITZ/BUSCH) approving the October 5, 2016 committee meeting minutes.

The motion carried unanimously.

5. **CASH FLOW PROJECTIONS**

Mr. Fajnor presented the cash flow projections.

6. **QUARTERLY INVESTMENT REPORT**

Mr. Fajnor presented the quarterly investment report.

Director Maryann Edwards arrived to the meeting at 2:04 p.m.

Director Brenda Knight arrived to the meeting at 2:06 p.m.

7. **AUTHORIZATION TO APPORTION THE AWARD OF INVITATION FOR BID (IFB) NO. 16-045 TO GENFARE A DIVISION OF SPX CORPORATION AND TO JANEK CORPORATION FOR THE PURCHASE OF FAREBOX COMPONENTS**

M/S/C (HANNA/ZAITZ) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to issue a purchase order to Genfare, a division of SPX Corporation, in the amount of \$634,331.23 for the purchase of Odyssey™ farebox parts.
- Authorize staff to issue a purchase order to Janek Corporation in the amount of \$88,106.40 for the purchase of Odyssey™ farebox parts.

The motion carried unanimously.

8. **AUTHORIZATION TO AWARD AGREEMENT NO. 16-036 TO TOLAR MANUFACTURING COMPANY INC. FOR BUS STOP AMENITIES FOR A TWO-YEAR PERIOD WITH A ONE-YEAR OPTION**

M/S/C (BUSCH/KRUPA) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award Agreement No. 16-036 to Tolar Manufacturing Company Inc. in the amount of \$863,855.00 for bulk bus stop amenities for a two-year period with a one-year option.

The motion carried unanimously.

9. **FISCAL YEAR 2015/2016 (FY16) FINANCIAL AUDIT RESULTS**

M/S/C (EDWARDS/HALEY) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Accept the Riverside Transit Agency's FY16 Audited Financial Statements, Single Audit Report, and SAS 114 Letter as final.

The motion carried unanimously.

10. **BOARD MEMBER COMMENTS**

Comments were made by: Director Dick Haley, Director Linda Krupa, Director Berwin Hanna and Director Brenda Knight.

11. **ANNOUNCEMENTS**

Larry Rubio and Chairman Frank Johnston made announcements.

12. **NEXT MEETING**

Wednesday, December 7, 2016  
2:00 p.m.  
Riverside Transit Agency  
1825 Third Street  
Riverside, CA 92507

13. **MEETING ADJOURNMENT**

The meeting was adjourned at 2:25 p.m.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

December 7, 2016

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Cash Flow Projections

Summary: The Agency develops cash flow projections for the entire fiscal year representing weekly increments. Due to the size of the report, it is difficult to portray the entire fiscal year.

The attached report represents actual cash performance through late-November 2016 with projections through January 2017. This reporting period covers the first seven months of FY17.

There are no cash flow issues anticipated during this reporting period.

Recommendation:

Receive and file.

**Riverside Transit Agency  
FY16/17 Cash Flow Projection**

	Actual										
1	General Account	11/25/2016	12/2/2016	12/9/2016	12/16/2016	12/23/2016	12/30/2016	1/6/2017	1/13/2017	1/20/2017	1/27/2017
2	Est. Cash, Beg Balance (Book)	784,239	5,444,971	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	<b>Receipts:</b>										
4	LTF Operating - recurring	4,661,024				4,661,024					4,454,167
5	LTF OPEB	277,778				277,778					833,332
6	FET Credit			85,351					90,000		
7	RIN's Credit			33,658					25,000		
8	LCFS		99,396								
9	CalPERS CERBT Disbursement	84,934			82,049				80,000		
10	Farebox	74,701	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
11	Total Other Farebox	215,556	35,858	88,340	21,365	217,501	68,583	28,000	213,134	122,688	500
12	Total Other Local	5,151	5,000	5,000	5,000	10,150	5,000	5,000	5,000	5,000	10,150
13	FTA Operating		26,035		29,930		8,871		28,500		
14	Capital - Local, State	44,115	5,000	5,000	5,000	5,000	5,000	5,000	5,000	754,688	5,000
15	Echo - FTA Capital	159,646	35,000	35,000	35,000	2,299,063	35,000	35,000	35,000	35,000	3,808,437
16	Transfer from Investment to Gen Acct.	30,246		1,505,002	164,256	159,825	183,626	3,549,000		179,624	3,531,877
17	<b>Disbursements:</b>										
18	Payroll = Net+Tax	(826,464)	(372)	(1,240,000)		(840,000)		(840,000)		(990,000)	
19	A/P Wires	(65,956)	(2,387,905)	(342,000)	(252,600)	(92,000)	(216,080)	(2,692,000)	(195,920)	(17,000)	(313,760)
20	A/P Checks		(175,000)	(175,000)	(175,000)		(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
21	Capital Expenditures		(55,000)	(55,000)	(55,000)	(3,178,575)	(55,000)	(55,000)	(55,000)	(55,000)	(8,618,127)
22	Transfer to Investment from Gen Acct.		(3,122,981)	(85,351)		(3,659,767)			(195,714)		(3,676,576)
23	Transfer to OPEB Trust Acct.										
24	Actual Ending Book Balance / Targeted Minimum Balance	5,444,971	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

25 **LAIF Account:**

26	Beginning balance	104,522	104,522	104,522	104,522	104,522	104,522	104,522	104,522	104,652	104,652
27	Quarterly Interest Income								130		
28	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-
29	Ending balance	104,522	104,522	104,522	104,522	104,522	104,522	104,522	104,652	104,652	104,652

30 **County Pool Account:**

31	Beginning balance	6,940,820	6,910,573	6,918,984	6,918,984	6,918,984	6,759,159	6,759,159	6,760,109	6,760,109	6,760,109
32	Quarterly Interest Income		8,411					950			
33	Transfers to/from Gen Acct.	(30,246)	-	-	-	(159,825)	-	-	-	-	(3,531,877)
34	Ending balance	6,910,573	6,918,984	6,918,984	6,918,984	6,759,159	6,759,159	6,760,109	6,760,109	6,760,109	3,228,232

35 **CalTrust Account:**

36	Beginning balance	36,932,389	36,932,389	40,077,296	38,657,645	38,493,389	42,153,155	41,969,529	38,444,011	38,639,726	38,460,101
37	Quarterly Interest Income		21,926					23,482			
38	Transfers to/from Gen Acct.	-	3,122,981	(1,419,651)	(164,256)	3,659,767	(183,626)	(3,549,000)	195,714	(179,624)	3,676,576
39	Ending balance	36,932,389	40,077,296	38,657,645	38,493,389	42,153,155	41,969,529	38,444,011	38,639,726	38,460,101	42,136,678

<i>Restricted</i>	30,057,479	30,070,301	30,155,652	30,155,652	30,273,605	30,273,605	30,286,463	30,376,463	30,376,463	27,677,918
<i>Available for Operating</i>	19,334,976	17,080,501	15,575,499	15,411,243	18,793,231	18,609,606	15,072,180	15,178,024	14,998,400	17,841,644
Avg Operating expenses per month =>	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000
No. of months Oper Cash On Hand =>	3.09	2.73	2.49	2.47	3.01	2.98	2.41	2.43	2.40	2.85

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

December 7, 2016

TO: BOARD BUDGET AND FINANCE COMMITTEE  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Craig Fajnor, Chief Financial Officer  
SUBJECT: Quarterly Capital Status

Background: The Agency has, at any one time, a multitude of capital projects in progress or pending as circumstances and funding dictate. These capital projects are funded through a variety of funding sources including, but not limited to, Federal, State, and Local grants. Capital items funded with these grants include, but are not limited to, Revenue and Non-Revenue Vehicles, Transit Centers, Facility Improvements, and Information Systems.

Depending on the nature of the project, it can take multiple years to accumulate the required funding to complete the project. It can also take multiple years to complete the project once it has commenced. Examples of such a scenario are the heavy-duty CNG bus fleet replacement/expansion and the Intelligent Transportation System (ITS) enhancement/expansion projects.

The Agency will always have capital needs due to replacement of retired assets, acquisition and/or maintenance of Agency infrastructure, and unique needs such as transit centers to serve the transportation needs of our customers. As such, the Agency should always have a backlog of open projects that preserve and enhance the future of the Agency.

Summary: A presentation will be given at the committee meeting which provides an update on the Agency's capital projects, focusing on the activities from September through November 2016. The Agency is required to provide quarterly reporting to the Federal Transit Administration (FTA) one month after the end of each quarter. The Agency is required to provide quarterly reporting to the Riverside County Transportation Commission (RCTC) after the end of each quarter. This reporting was submitted.



Recommendation:

Receive and file.

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

December 7, 2016

TO: BOARD BUDGET AND FINANCE COMMITTEE  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Craig Fajnor, Chief Financial Officer  
SUBJECT: Quarterly Natural Gas Procurement Status Report

Background: Prior to August 1, 2013, the Agency had always purchased its natural gas (converted to compressed natural gas or CNG) requirements for fueling revenue and non-revenue vehicles from the Southern California Gas Company (SoCal Gas). The cost of the gas from SoCal Gas included the commodity cost of the gas as well as the transmission costs and related taxes/fees.

In May 2013, the Board authorized staff to enter into a multi-year contract with GHI LLC (GHI) for the Agency's natural gas commodity requirements for conversion to CNG. The Agency's contract with GHI commenced July 1, 2013 and natural gas purchases commenced in August 2013. The base period of the contract has been completed.

Highlights of the GHI contract are as follows:

- GHI provides a fixed 6% discount off the SoCal Gas commodity cost (in contract option years; years 4 and 5).
- GHI provides the Agency with 5% of the total Renewable Identification Number (RINs) Credit earned.
- GHI will both opt-in on the Agency's behalf for the California Air Resources Board (CARB) Low Carbon Fuel Standards (LCFS) Credit program and financially administer the Agency's LCFS Credits.
- GHI provides the Agency with 100% of the LCFS Credit value earned.

The current Board approved Agency Investment Policy includes language regarding the purchase of natural gas requirements for conversion to CNG. The natural gas purchase language outlines the acceptable ways staff can purchase natural gas requirements for use in fueling Agency vehicles. The policy includes language describing the discipline to purchase a long-term fixed price-per-term contract provided certain parameters are met. The policy also states that, if the Agency buys its natural gas requirements from an entity other than SoCal Gas, staff would prepare a quarterly report for the Board regarding the performance results under the new purchase arrangement and provide a performance comparison to the prior purchase arrangement.

Summary: Attachment A to this staff report identifies the savings the Agency has experienced by purchasing natural gas from GHI versus purchasing it from SoCal Gas. The costs are depicted for both a monthly and trailing quarter basis.

Attachment B to this staff report identifies the RINs Credits earned by the Agency under its natural gas purchase arrangement with GHI. RINs credits are earned and paid monthly. As a reminder, no such opportunity existed with SoCal Gas nor was it offered by the other responsible and responsive bidder during the formal procurement process.

Attachment C to this staff report identifies the LCFS Credits earned by the Agency under its natural gas purchase arrangement with GHI. LCFS credits are earned monthly but paid quarterly. As a reminder, no viable means to provide this credit to the Agency was offered by the other responsible and responsive bidder during the formal procurement process.

Attachment D to this staff report indicates the key statistics being measured and tracked to determine whether or not the Agency should convert from the current monthly floating index cost per term purchase arrangement to a longer-term fixed price per term purchase arrangement per the Investment Policy. The statistics are kept to follow and enact, if applicable, the discipline installed as part of the annual investment policy.

Based on the investment policy discipline and market conditions, the Agency currently has one three-month contract purchase executed for natural gas requirements (~80%). The contract commenced in October 2016 and covers the period of October - December 2016.

Fiscal Impact:

Under the current purchase arrangement with GHI, the Agency experienced \$45,179 of savings in the quarter covering August - October 2016 for its natural gas commodity requirements.

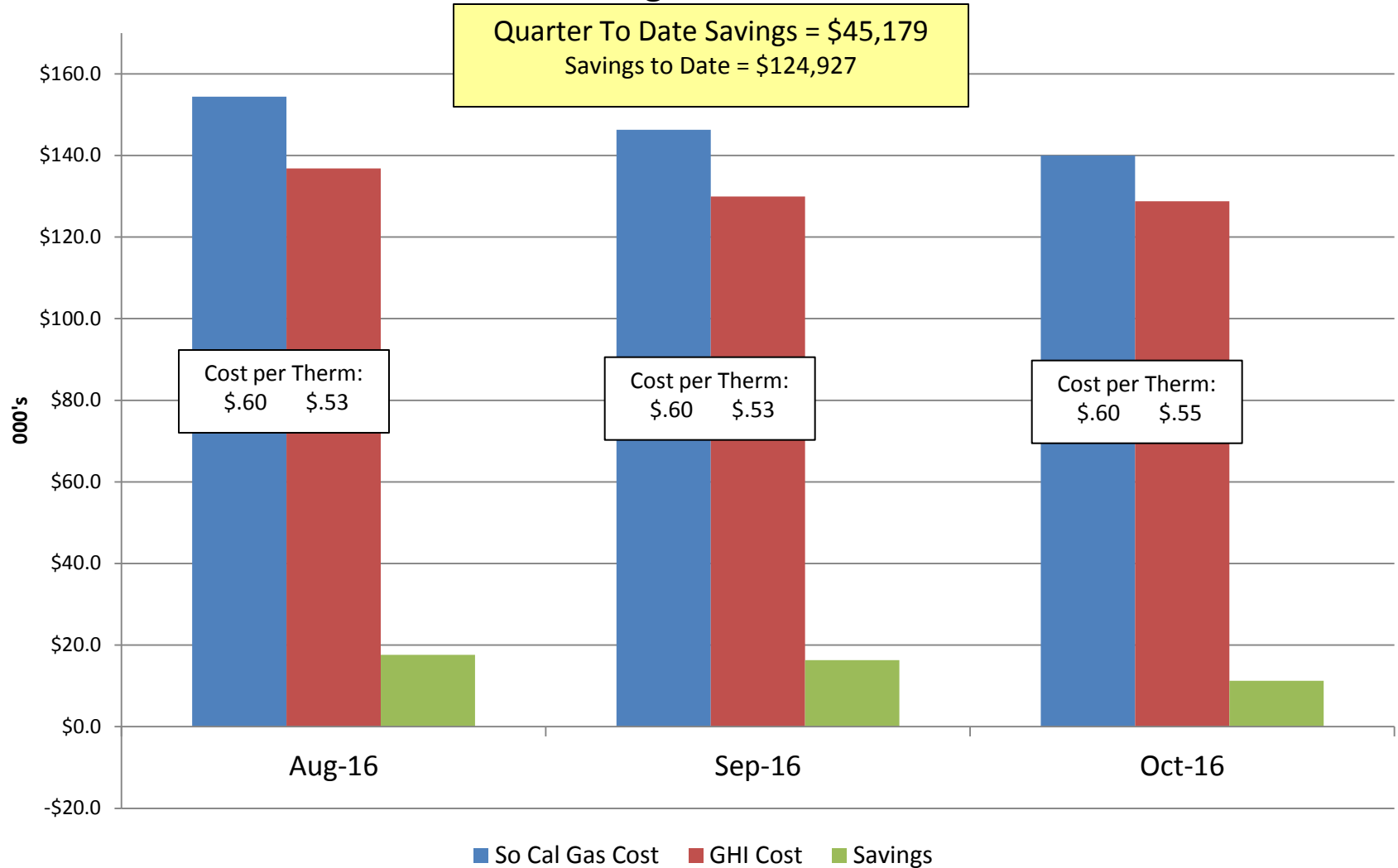
The Agency earned a total of \$202,818 of combined revenue from the Federal RINs and State LCFS Credits' programs due to its natural gas consumption for use as CNG.

Additionally, the Agency earned \$268,076 in Federal Excise Tax (FET) Credit for this quarterly period.

Recommendation:

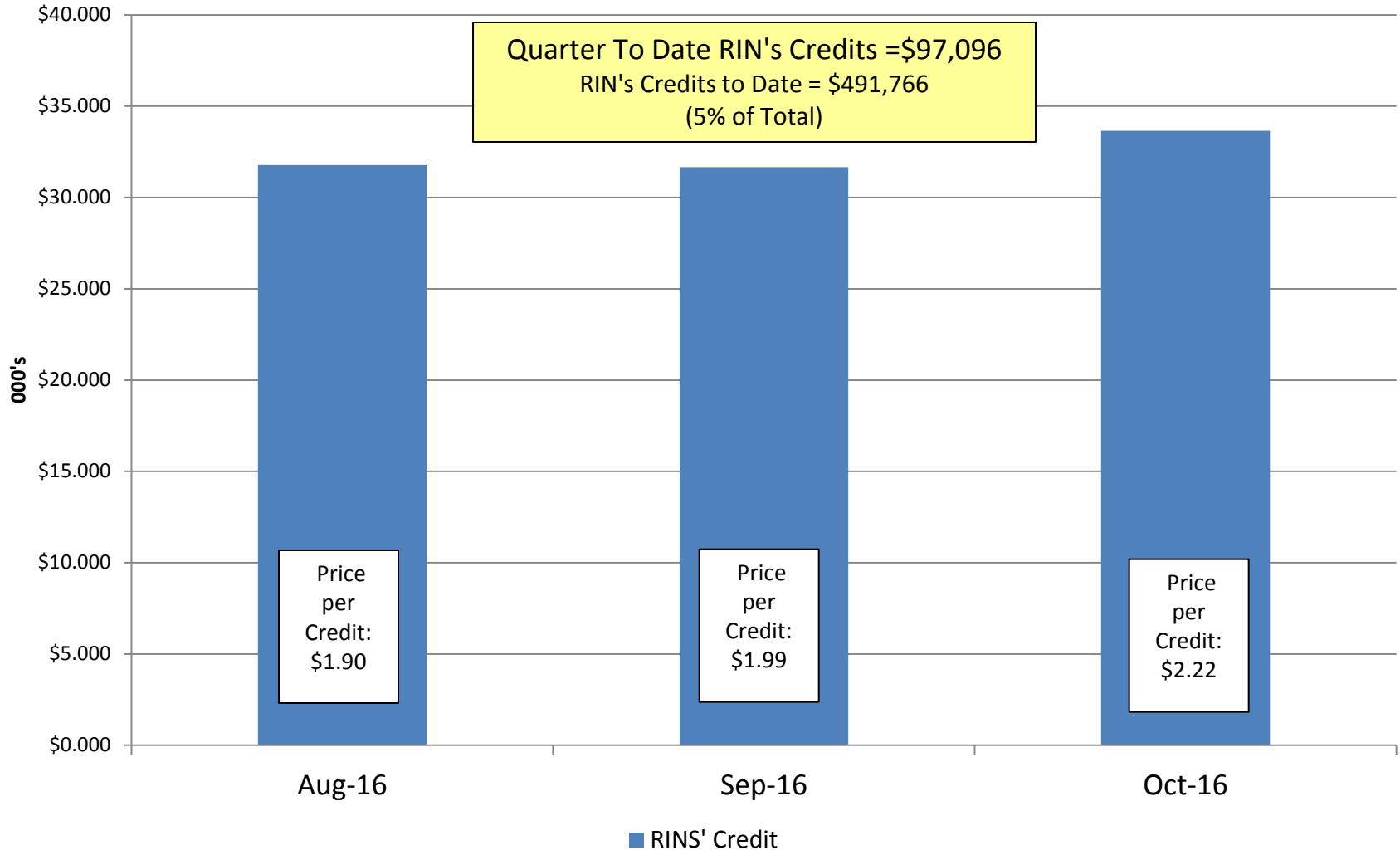
Receive and file.

## Attachment A CNG Cost Savings - So Cal Gas vs. GHI

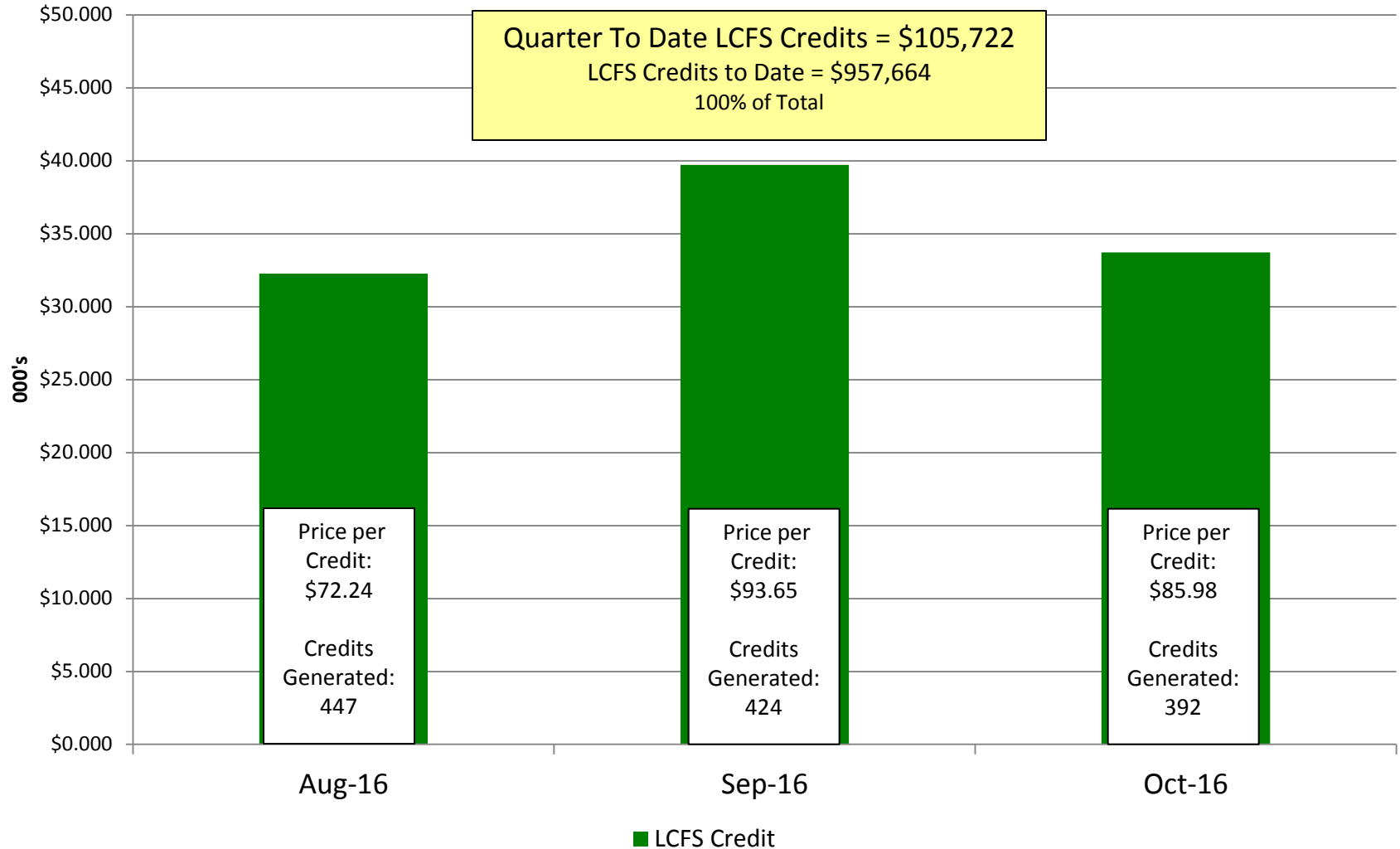


# Attachment B

## Renewable Identification Number (RIN's) Credit

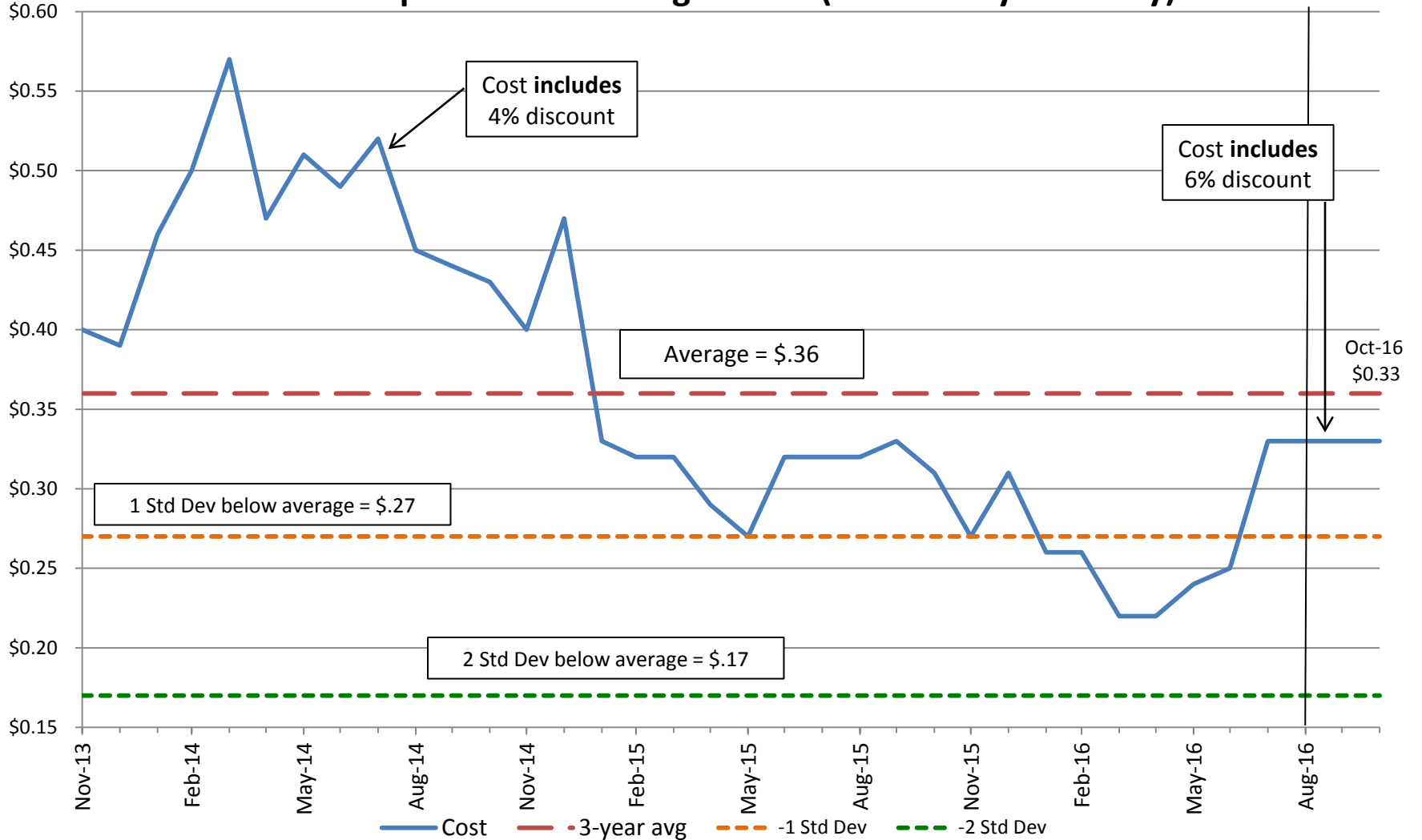


## Attachment C Low Carbon Fuel Standards (LCFS) Credit



# Attachment D

## CNG Cost per Therm Trailing 3 Years (commodity cost only)





RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

December 7, 2016

TO: BOARD BUDGET AND FINANCE COMMITTEE  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Vince Rouzaud, Chief Procurement and Logistics Officer  
SUBJECT: Authorization to Award Invitation for Bid No. 16-050 to Fritts Ford for the Purchase of 10 Model Year 2017, Ford Focus Vehicles

Summary: Staff is requesting authorization to award a contract to Fritts Ford for the purchase of 10 compact vehicles that will be used by coach operators for driver relief. The new vehicles are considered replacements for vehicles that have exceeded their useful service life as defined by the Federal Transit Administration (FTA) and were included in the Agency's capital budget previously approved by the Board.

On October 24, 2016, staff issued Invitation for Bids (IFB) No. 16-050. The procurement was publicly advertised in a newspaper of general circulation and a notice was posted on the Agency's website. The Agency also sent notices of the contracting opportunity to the Chambers' of Commerce of those cities that are members of the Joint Powers Agreement (JPA).

In an effort to encourage interest and local participation in vehicle procurements, earlier this year, staff conducted vendor outreach and scheduled face-to-face meetings with dealerships throughout the Agency's service area. These dealerships were included on the bidder's list for this procurement and are identified in the table below:

Vendor Name/Location	Vendor Name/Location
Fritts Ford, Riverside	Gosch Ford, Hemet
Hemborg Ford, Norco	Citrus Motors, Ontario
Lake Chevrolet, Lake Elsinore	Gosch Ford, Temecula
Gosch Nissan/Hyundai, Hemet	Diamond Valley Honda, Hemet
Pedder Nissan, Hemet	VIP Autos, Hemet
Moss Bros, Moreno Valley	Raceway Ford, Riverside
DCH Auto Group, Temecula	John Hine Mazda/Subaru, Temecula
Temecula Hyundai, Temecula	Temecula Nissan, Temecula
Temecula Valley Toyota, Temecula	Riverside Metro Auto Group, Riverside

On November 18, 2016, the Agency received bids from the following four vendors:

Vendor Name/Location	Qty	Unit Cost	Total (all fees, taxes, etc.)	Extended Amount
Courtesy Chevrolet Center, San Diego, CA	10	\$16,933.00	\$18,287.64	\$182,876.40
Fritts Ford, Riverside CA	10	\$17,090.79	\$18,466.80	\$184,668.00
Lake Chevrolet, Lake Elsinore CA	10	\$18,275.00	\$19,744.00	\$197,440.00
Paradise Buick GMC, Temecula CA	10	\$23,879.00	\$25,804.47	\$258,044.70

The apparent low bidder, Courtesy Chevrolet Center was deemed non-responsive as their submittal did not comply with the IFB’s technical specifications (standard transmission vs. automatic transmission). The bid submitted by the second lowest bidder, Fritts Ford, was evaluated and found to be fully compliant with the IFB’s requirements. As such, staff recommends awarding IFB No. 16-026 to Fritts Ford, the lowest responsive and responsible bidder.

Fiscal Impact:

This item was included in the Board approved capital budget in the form of FTA Sections 5307 and State Transit Assistance (STA) funds. The proposed project funding is shown below:

Funding Source		
Federal		
Section 5307	STA	Total
\$ 147,734.40	\$ 36,933.60	\$ 184,668.00

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to award IFB No. 16-050 to Fritts Ford for the purchase of 10, model year 2017 Ford Focus vehicles in the amount of \$184,668.00.

RIVERSIDE TRANSIT AGENCY  
1825 Third St.  
Riverside, CA 92507

December 7, 2016

TO: BOARD BUDGET AND FINANCE COMMITTEE  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Vince Rouzaud, Chief Procurement and Logistics Officer  
SUBJECT: Authorization to Amend Agreement No. 10-038 with The Goodyear Tire and Rubber Company for Bus Tire Leasing Services

Summary: At the November 19, 2015 Board of Directors meeting, the Board authorized the award of Agreement No. 15-036 to Michelin North America, Inc. for Bus Tire Leasing Services. Leasing tires is a standard practice in the transit industry and is more economical than purchasing tires outright. Additionally, the Agency is able to utilize federal capital funds for tire leasing services.

At that same meeting, the Board also authorized staff to amend Agreement No. 10-038 with The Goodyear Tire and Rubber Company (“Goodyear”) to exercise the run-out provision on the existing Goodyear tire inventory. The cost to exercise the run-out provision with Goodyear was estimated to be \$170,147 and was based on projected mileage and a run-out period of approximately 12 to 18 months. The more costly alternative to exercising the run-out provision would have been to purchase the Goodyear tires outright.

Over the past 13 months, the Agency has been realizing better mileage from the Goodyear tires than originally anticipated. The primary reason for this is the Goodyear tire is considered a “regroovable tire” which means the tire is designed and constructed with sufficient tread depth to permit renewal of the tread pattern or the generation of a new tread pattern which increases the tire’s mileage. Because regrooving tires increases the tire’s mileage, the Goodyear agreement will need to be amended. Staff has calculated that the amount needed to cover the run-out of the remaining Goodyear tires will be \$77,302.

If approved, it should be noted that this action will not increase the overall cost to the Agency for tire leasing services in FY17 as the combination of the Michelin and the Goodyear lease costs will be within the annual budget.

Fiscal Impact:

This item is included in the Board approved FY17 capital budget. Funding to cover this request is in the form of Federal Transit Administration (FTA) Section 5307 and State Transit Assistance Funds (STA). A profile of the proposed budget is shown below:

FTA Section 5307	Funding Source	
	STA	Total
\$242,599	\$60,650	\$303,249

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to amend Agreement No. 10-038 with The Goodyear Tire and Rubber Company in the amount of \$77,302 to complete the run-out provision on the existing tire inventory.