

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING A ) RESOLUTION NO. 89-1099  
POLICY GIVING PREFERENCE TO THE ) Introduced by Rena  
PURCHASE OF RETREAD TIRES ) Cusma, Executive  
 ) Officer

WHEREAS, the Metropolitan Service District's Materials Markets Assistance Program of the 1986 Solid Waste Reduction Program identifies the need for institutions to support recycling programs through increased demand for products made from recycled materials; and

WHEREAS, manufacturers will respond to product preference for retread tires over tires made from wholly virgin materials by increasing their demand for used tire casings and decreasing their demand for virgin materials with which to make new tires,

WHEREAS, the public benefits when virgin materials are conserved and waste is reduced,

WHEREAS, the State of Oregon ORS 279.729 and 279.739 and the Federal Resource Conservation and Recovery Act, Section 6002, as amended, 42 U.S.C. 6962, directs government to procure products made from recycled materials; and

WHEREAS, Metro does not have guidelines pertaining to the purchase of retread tires; now, therefore,

BE IT RESOLVED,

1. That the following criteria and standards shall apply to the purchase of retread tires:

## I. General

### Purpose.

The purposes of these guidelines are:

a. To assist agencies and businesses in the Metropolitan Service District with program development for retread tire procurement.

b. To designate tires as a procurement item.

c. The Metropolitan Service District believes that adherence to these recommendations is consistent with the meaning and intent of the Guideline for Federal Procurement of Retread Tires promulgated by the Environmental Protection Agency in compliance with Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended, 42 U.S.C. 6962. However, procuring agencies may adopt other types of procurement programs consistent with the meaning and intent herein.

### Designation.

The Metropolitan Service District designates tires as items which are or can be produced with recovered materials (i.e., used tire casings.)

### Applicability.

a. These guidelines are intended as recommendations for the use by all procuring agencies, both public and private, within the Metropolitan Service District jurisdiction and all procurement actions involving tires.

b. These guidelines apply to all contractors and sub-contractors of the Metropolitan Service District.

c. The term "procurement actions" includes purchases made

directly by a procuring agency and purchases made by any person directly in support of work being performed for a procuring agency (e.g., by a contractor).

d. These guidelines do not apply to purchases which are not the direct result of a contract, grant, loan, funds disbursement, or agreement with a procuring agency.

#### Definitions.

As used in this guideline:

"District" means the area or region defined by the geographic boundaries of the Metropolitan Service District.

"Person" means an individual, trust, firm, joint stock company, corporation, including government corporation, partnership, association, regional, city, county, commission or other political subdivision of the District.

"Practicable" means capable of being used consistent with: performance in accordance with applicable specifications, availability at a reasonable price, availability within a reasonable period of time, and maintenance of a satisfactory level of competition.

"Procurement item" means any device, good, substance, material, product, or other item, whether real or personal property, which is the subject of any purchase, barter, or other exchange made to procure such item.

"Procurement agency" means any regional, city and county governmental unit, public commission, political subdivision or business located within the Metropolitan Service District boundaries.

"Retread tire" means a worn automobile, truck, airplane or other motor vehicle tire whose tread has been replaced.

"Specification" means a description of the technical requirements for a material, product, or service that includes the criteria for determining whether these requirements are met. In general, specifications are in the form of written commercial designations, industry standards, and other descriptive references.

"Tire" means the following types of tires: passenger car tires, light- and heavy-duty truck tires, high speed industrial tires, bus tires, airplane tires, and special service tires (including agricultural, off-the-road, and slow speed industrial).

## II. Specifications

As of the effective date of this guideline, the Metropolitan Service District recommends that all businesses and governments within the region eliminate from their specifications any exclusion of retread tires and any requirement that tires be manufactured from virgin materials unless there is a technical basis for such exclusion or requirement.

The Metropolitan Service District recommends that within one year after the effective date of this guideline, each procuring agency provide specifications requiring the use of retread tires to the maximum extent possible without jeopardizing the intended end use of these items. Specifications indicate the functional requirements of tires to be procured, including the performance criteria, any desired mileage guarantees, and the size and type of tire required.

### III. Procurement Program

#### General.

a. It is recommended that within one year of the effective date of this guideline, each procuring agency that procures tires establish a procurement program for the purchase of retread tires to the maximum extent practicable. A comprehensive procurement program would include the following: preference program; promotion program; procedures for estimation, certification, and verification; and procedures for conducting an annual evaluation of the procurement program.

b. The Metropolitan Service District is not responsible for developing and implementing a procurement program for any agency but itself. Each business and government located and operating within the District is responsible for its own procurement program.

#### Preference Program.

a. The Metropolitan Service District recommends that procuring agencies establish preference policies consisting of two components:

(1) Procurement of tire retreading services for used tire carcasses.

(2) Procurement of tires through competition between vendors of new tires and vendors of retread tires. Procuring agencies should provide a preference to the vendor offering to supply the greatest number of retread tires in the event that identical low bids are received in response to solicitation, all other factors being equal.

b. The Metropolitan Service District recommends that policies be developed first for procurement of retreading services for used tire carcasses and second for retread tires.

c. If a procuring agency is unable to implement one of the components listed in paragraph (a) above, documentation of the reasons will facilitate program compliance except due to the following acceptable limitations:

- (1) Unsatisfactory level of competition;
- (2) Unavailability within a reasonable period of time;
- (3) Inability to meet the specifications in the invitation for bids;
- (4) Unavailability at a reasonable price;

d. In the face of acceptable limitations, it is recommended that procuring agencies continue to try to implement preference policies.

e. The Metropolitan Service District recommends that procuring agencies record the following information for each procurement:

- (1) Type and quantity of tires;
- (2) Whether new tires, retread tires, or retreading services were procured;
- (3) Cost per tire;
- (4) The reason for failing to procure retread services or retread tires, if new tires are procured.

f. Annual review of procurement practices and elimination of those which would inhibit or preclude use of retread tires is recommended.

#### Promotion program.

Procuring agencies should develop a promotion program to promote the preference program. The Metropolitan Service District recommends, at a minimum, use of the following methods:

- (a) Place a statement in a newspaper of general circulation in the region describing the preference program.

(b) Describe the preference program in tire procurement solicitations to bid.

(c) Discuss the preference program at bidder's conferences.

(d) Inform industry trade associations about the preference program.

Estimation. Certification. Verification.

To provide for awareness and fulfillment of retread procurement policies and contracts, it is advisable to establish estimation, certification and verification procedures as follows:

(a) Require vendors who supply tires to procuring agencies to estimate the number of retread tires to be supplied, except when a procuring agency purchases tire retreading services using an indefinite quantity contract.

(b) Require vendors to sign a statement certifying the number of retread tires supplied or the percentage of the total tires supplied that are retread.

(c) Establish reasonable procedures to verify the numbers of tires that are retreads. The Metropolitan Service District recommends that procuring agencies check on a quarterly basis the numbers stamped on tire sidewalls to verify the retread tires have been supplied.

Annual Evaluation.

An annual evaluation of the effectiveness of a retread tire preference program will facilitate the use of retread tires to the maximum extent practicable. The Metropolitan Service District recommends that the evaluation include the following items:

(a) The number of retread tires purchased.

(b) An assessment of the effectiveness of the preference

program.

(c) An assessment of the remaining barriers to procurement of retread tires to determine whether they are internal (e.g., resistance to use) or external (e.g., unavailability) barriers.

(d) Procedures to gather statistics to monitor the following:

(1) Comparative price information on competitive procurements;

(2) The quantity of each item procured over a fiscal year;

(3) The availability of retread tires or tire retreading services to procuring agencies;

(4) Type of performance tests conducted, together with the type of retread tires that failed the tests, the percentages of all new tires and retread tires procured, respectively, that failed each test, and the nature of the failure.

(5) Agency experience with the performance of retread tires.

(e) It is desirable for procuring agencies to prepare reports on the effectiveness of their procurement programs and make these reports available to the public. The reports shall contain the following information:

(1) A discussion of the procuring agency's approach to procuring retread tires or tire retreading services to the maximum extent practicable. Data compiled on price, availability and performance, estimate comparisons and certifications should be covered.

(2) Documentation of specification revisions made during the year.

#### Implementation.

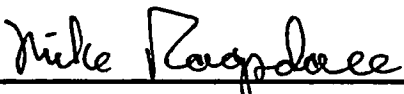
(a) It is recommended that procuring agencies review and revise their specifications within six months of the date of their first awareness of these guidelines.



(b) Establishment of procurement programs within one year of their first awareness of these guidelines is desirable.

(c) Starting procurement of retread tires within one year of a procuring agency's first awareness of these guidelines is a is desirable.

ADOPTED by the Council of the Metropolitan Service District  
this 27<sup>th</sup> day of July, 1989.

  
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Mike Ragsdale, Presiding Officer

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SOLID WASTE COMMITTEE REPORT

RESOLUTION NO. 89-1099, FOR THE ADOPTION OF A MODEL PURCHASING POLICY  
THAT GIVES PREFERENCE TO THE PURCHASE OF RETREAD TIRES

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Date: June 14, 1989

Presented by: Councilor  
Hansen

Committee Recommendation: The Solid Waste Committee voted 4 to 0 to recommend Council adoption of Resolution No. 89-1099 as amended.  
Councilors voting: Hansen, Kelley, Ragsdale and Wyers.

This action taken June 13, 1989.

Committee Discussion/Issues: The proposed action is to endorse a procurement policy that states a preference for retread tires to serve as a model for procurement programs in businesses, local governments and public institutions in the region.

The Solid Waste staff stated that the Institutional Purchasing Program of Waste Reduction Plan (1986) calls for procurement policies favoring the use of recycled materials. Procurement policies for tires, oil, paper and yard debris will be set forth by July 1, 1989.

One of the major concerns of the Solid Waste Committee is the safety of retread tires. The Solid Waste staff said that their sources report that retread tires are manufactured according to federal safety standards developed by the U.S. Department of Transportation and that retread tires may be driven at the same speeds as comparable new tires with no loss in safety.

The Committee amended Resolution No. 89-1099 to indicate that procuring agencies "should," rather than "shall," develop a promotion program to promote the procurement of retread tires.

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STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 89-1099 FOR THE ADOPTION OF A  
MODEL PURCHASING POLICY THAT GIVES PREFERENCE TO THE PURCHASE OF  
RETRREAD TIRES

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Date: Presented by: Bob Martin  
Debbie Gorham

PROPOSED ACTION

To endorse a procurement policy stating a preference for retread tires to serve as a model for procurement programs in businesses, local governments and public institutions in the region.

FACTUAL BACKGROUND AND ANALYSIS

The Institutional Purchasing Program of the Waste Reduction Plan (1986) calls for procurement policies favoring the use of recycled materials. Procurement policies for tires, oil, paper and yard debris will be set forth by July 1, 1989 to serve as a model for businesses and governments in the region. Procurement guidelines for other recycled products will be developed at a later date.

Procurement policies stating a preference for recycled products are designed to encourage market development and procurement of recycled solid waste materials.. When procurement policies for recycled products are adopted by businesses and other governments regionwide, the purchasing power involved will significantly impact manufacturing and recycling practices. Manufacturers using materials with recycled content will expand, thereby increasing the demand for recycled materials and encouraging recycling.

A precedent for retread tire procurement policies was set by the Resource Conservation and Recovery Act (RCRA) of 1976 as amended. Section 6002(e) designated "tires" as an appropriate subject for procurement guidelines and directed the Environmental Protection Agency (EPA) to develop such guidelines.

On November 17, 1988 the EPA issued guidelines for procurement of retread tires. Federal, State and local procuring agencies using Federal funds are required to establish procurement programs for retread tires by November 17, 1989.

Regionally, it is estimated that one tire is discarded each year for every man, woman and child, or over one million tires discarded. Passenger car and light truck tires account for approximately 80 percent of the total number of tires scrapped, the remainder being bus, truck, and off-road tires.

Some industry sources believe that 25% - 40% of all discarded tires in landfills and illegal dump sites could be retread.

Landfilling and storage of waste tires are problematical. Tires do not biochemically degrade and tend to float to the surface when buried. Shredding prior to burial is expensive. On the surface they pose a threat to public health and the environment, as a home for rodents and insects and fuel for fires. One fire involving four million tires in Winchester, Virginia, took eight months to contain by the combined efforts of Federal, State and county governments and \$1.2 million of Superfund monies to remove ground water contamination caused by the oily tire residue.

While the Oregon Legislature banned disposal of waste tires in 1987, the growing numbers of waste tires, incidences of illegal dumping and stockpile hazards pose continuing problems for local communities. Such circumstances have caused the State Department of Environmental Quality to establish a Waste Tire Recycling Fund as an incentive for businesses to use waste tires and cleanup tire piles.

Many methods of reusing tires have met with questionable results. Asphalt mixed with ground scrap rubber tires sometimes cannot meet price specifications. Reclaiming the oil in tires through pyrolysis is not viable when crude oil prices are low. Burning tires for fuel has raised concerns about air pollution.

Over 37 million retread tires were sold in the United States in 1988. There are approximately 2000 retreading plants in the United States, 95 percent of which are owned by small businessmen whose collective investment is approximately one billion dollars.

Industry sources report that retread tires:

- (1) Give mileage comparable to that of new tires at a lower cost per mile.
- (2) Cost 30 to 50 percent less than the cost of a new tire.
- (3) Carry warranties.
- (4) Are available in steel belted radials, a variety of tread patterns, including all-season, mud-and-snow tread patterns.
- (5) Conserve approximately 400 million gallons of oil each year that would otherwise go into the production of new tires.

- (6) Prolong a tire investment. Seventy percent of the cost of a new tire is in the tire body.
- (7) May be driven at the same speeds as comparable new tires with no loss in safety and comfort.
- (8) Are manufactured according to Federal Safety Standards developed by the U.S. Department of Transportation. Commercial aircraft retreads are approved by the Federal Aviation Administration.
- (9) Are used for nearly 100 percent of the world's airlines, nearly 100 percent of the off-road, heavy-duty vehicles, school and municipal buses, federal and military vehicles, trucking and delivery fleets, taxi, police and industrial fleets, race cars and passenger cars.

Retreading conserves resources, carries no deleterious environmental side effects, and supplies jobs for numerous retreaders in the region.

A study of price, availability and performance of retread tires and new tires was conducted to determine the feasibility of routine purchase of retread tires. A survey of local vendors (Attachment A) revealed that retread prices are one-half to one-third of the prices of new tires. A list of local retreading facilities and dealerships offering retreads is attached (Attachment B).

The City of Portland Bureau of General Services purchases retread tires except for non-pursuit and fire vehicles as of a resolution (No. 34498) passed December 28, 1988. A partial list of other cities and counties using retreads is attached (Attachment C).

Although the State of Oregon does not currently purchase retread tires, Metro staff is exploring this prospect with the Purchasing Division of the Department of General Services.

While Metro's automobile purchasing policy obviates agency purchase of retread tires for the most part, requiring subcontractors at Metro facilities to purchase retreads could impact the scrap tire disposal problem. A substantial impact upon markets and waste reduction in the region would be achieved by offering procurement guidelines stating a preference for retread tires, combined with technical assistance to local governments and businesses.

Not only does retreading make sense in terms of waste reduction but also in terms of environmental preservation, conservation of valuable resources, economics and employment. It has been determined to be an important means of reducing used tire disposal.

**EXECUTIVE OFFICER'S RECOMMENDATIONS:**

The Executive Officer recommends approval of Resolution No. 89-1099.

**ATTACHMENT A: Highlights of Regional Retread and "Virgin" Tire Survey**

**ATTACHMENT B: List of Retreading Facilities**

**ATTACHMENT C: List of Other Counties/Cities Using Retreads**

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tiresord.sr

## Attachment A

### HIGHLIGHTS OF REGIONAL RETREAD AND "VIRGIN" TIRE SURVEY

A survey of tri-county tire dealerships in the Metropolitan Service District was conducted in April 1989, to determine (1) the names and locations of dealerships that sell retread tires and/or provide retreading services on-site, (2) types of retreads available, (3) availability of fleet bidding, (3) time required for retreading, (4) sales volume and distribution to business, government and private individuals, and (5) comparative price ranges for new and retread tires.

Two hundred and forty-six tire dealerships were contacted (approximately 95 percent of all tire dealerships and service stations in the region). Those surveyed include tire wholesalers, service stations and garages, and tire retailers.

The survey includes the following questions: (1) Do you retread on-site? (2) Do you sell retread tires? (3) Who are the biggest buyers of your retreads? (4) What percentage of your sales would you attribute to business, government, private individuals, and others? (5) What is your price range for passenger car retreads? For light truck retreads? For heavy duty truck retreads? For bus retreads? (6) Do you bid on fleet retreading? (7) What is your gross sales volume annually on retreading services and retread tires? (8) How many retreads do you sell annually? (9) How much time does it take to retread a tire for a passenger car? For a truck? (10) What retreading method do you use: mold-cured process or pre-cured process?

If the dealership did not sell retread tires, they were asked for their price ranges on passenger car tires, light truck tires, heavy duty truck tires, and bus tires.

#### DEALERSHIPS THAT SELL RETREAD TIRES AND ON-SITE RETREADING SERVICES

Four percent of those surveyed (nine) sell retread tires and provide on-site retreading. Four out of nine dealers that provide on-site retreading cite private individuals as their biggest sales market for retreads; three cite business fleets as their largest buyers. Two dealers claim equal business from business, government and individuals. None of the dealers cite government as a major buyer.

Fifty-five percent of this group attribute 50 percent or more of their sales to business, and fifty-five percent attribute 50 percent or more of sales to private individuals. Two businesses

attribute 10 percent and 25 percent of sales to government, respectively.

Seventy-seven percent (seven) of these dealers bid on fleet retreading, while the remaining 23 percent (two) do not.

The average price range for retreads among dealers in this category are: \$24 - \$43 for a passenger car retread, \$34 - \$67 for a light truck retread, \$76 - \$124 for a heavy duty truck retread, and \$78 -100 for a bus retread. However, five of these dealers do not sell passenger car retreads, and three do not sell bus retreads. The majority do sell truck retreads.

Of the four who estimated their average annual gross sales volume for retread tires and retreading service - the average is approximately \$184,000. An average of 12,034 retread tires are sold annually.

These dealers estimate the average time to retread a tire to be: two hours for a passenger car tire, three hours for larger truck tires.

Six of the nine dealers providing on-site retreading services use both the pre-cured and mold-cured processes. One of these dealers uses only the mold-cured process, and two use only the pre-cured process. The pre-cured method tends to be preferred.

A supplemental survey of this group indicates that they offer "adjustment warranties" on retreads. Retread tires with manufacturer's defects are replaced, and the price is discounted based upon the amount of tread remaining on the replaced tire.

One dealer, Northwest Retreaders, Inc., states that his primary market is providing truck tire retreading services for other tire dealerships. They claim to sell approximately 300 retread tires a day. Seventy-five percent of Tire Distributors, Inc.'s, retreading business is to other tire dealers for all but bus tires. They claim to sell about 200 retreads a week. The majority of dealers who send out tires to be retread by other dealers in the region send them to these two dealers. Another dealer, Jim Bacon's Big "O" Tires recently shut down its retreading operation for other dealers.

#### DEALERSHIPS THAT SELL RETREAD TIRES

Twenty-two percent (54) of the dealerships surveyed sell retread tires but do not retread on-site.

A supplemental survey of 20 dealers in this group was conducted to determine whether they send out tires to be retread at other



sites. Eighteen out of the 20 surveyed contract for retread services at other sites.

Seventy-four percent (40) of the dealers selling retread tires claim private individuals to be their largest market for retread sales, while 19 percent (10) claim business fleets, and seven percent (four) assign half their major business to business fleets and half to private individuals. None of the dealers in this group attribute any of their retread sales to government.

Thirty-nine percent of the dealers in this group attribute 100 percent of their sales to individuals. No dealers attribute any business to government. Eighty-five percent of those selling retreads attribute 50 percent or more of their sales to private individuals. Twenty-two percent of this group attribute 50 or more of their sales to business.

Only 13 percent of the dealers in this group claim to bid on fleet retreading. Eighty-seven percent do not bid on retreading.

The average price ranges for retreads in this category are comparable to those in the previous category, except that bus retreads are somewhat more expensive in this group. Passenger car retreads range from \$28 - \$44. Light truck retreads range from \$43 - \$61, heavy duty truck retreads from \$83 - \$108, and bus retreads from \$86 - \$132.

The dealerships in this category claim to sell an average of 500 retread tires annually, although 30 percent of the dealers surveyed sell less than 100. Fifty-five percent of this group did not report their gross sales on retreads. Of the 24 dealers in this group who reported gross sales on retread tires average \$29,415 in gross sales.

Because the dealers in this group do not perform the actual retreading process themselves, they claim to be uninformed about the methods used and the time frames involved. Eighty-seven percent (47) of these dealers claim that they do not know what method of retreading is used on the tires they sell. Three say that their tires are retread by the mold-cured process, two say that their tires are retread by the pre-cured process, and two carry tires retread by both methods.

Dealers who provide both tires and retreading services and dealers who sell retread tires generally concur that the time it takes to retread a tire is about two hours, regardless of whether the tire is for a passenger car or a truck. They report that the actual time for retreading is difficult to assess, because tires are usually retread in large quantities over a period of several days and cooling times can vary considerably. Ninety-three percent of those who sell retreads do not know how long it takes.

## DEALERSHIPS THAT SELL "VIRGIN" TIRES ONLY

Seventy-four percent (183) of all dealerships surveyed provide neither on-site retreading nor retread tires for sale; they sell new tires only. "Virgin" tire price ranges were obtained from these dealers for comparison with retread tire ranges.

The average price range for new tires in the passenger car size is \$45 - \$87; new light truck tires range between \$82 - \$139; new heavy duty truck tires range between \$241 - \$478, and new bus tires range between \$217 - \$528.

All but one of the dealerships in this category attribute 100 percent of their tire sales to private individuals. One dealership attributes 100 percent of its sales to business. None of the dealerships report any government sales.

## COMPARISON AND CONCLUSION

### AVAILABILITY

Retread Tires and Retreading Services. Retread tires are available in 26 percent (63) of the tire dealerships and service stations in the region. Retreading services are available in four percent (nine) of the dealerships, although retreading may be provided for some tire types and not others. A list of the names and addresses of these dealerships is attached (Attachment B).

Those dealers who sell retreads but do not retread will, in some cases, contract out for retreading services.

Two dealers, Tire distributors, Inc., and Northwest Retreaders, Inc., claim their primary market is in providing retreading services to other dealerships.

Fleet Bidding. Fleet bidding is available in 77 percent (seven) of the dealerships providing on-site retreading services. Thirteen percent (seven) of the dealers selling retreads only bid on fleet retreading.

Types of Retread Tires. The majority (six) of retreaders use both mold-cured and the pre-cured processes of retreading. Eighty-eight percent (eight) of those dealers offering retread services use the pre-cured method, though some also used the mold-cured process. One dealer uses only the mold-cured process.

Forty-seven of the 55 dealerships that sell retreads only do not know what method of retreading is used on their retreads. Three dealers specify mold-cured, three specify pre-cured, and two specify both methods.

Apparently, the pre-cured process is faster, easier, and involves less expensive equipment. Whether one type of tire is better than another is unknown.

Time to Retread. Retreading services are usually provided for groups of tires in a week's time. Cooling periods vary, depending upon many factors.

Although tire retreading can be done within two hours, conventional practices dictate a week's turn-around time.

### Price Comparisons

The following prices are based upon non-speed, non-performance specifications:

The average price range for retread passenger tires is \$24 - \$44. The average price range for virgin passenger car tires is \$45 - \$87. Based on the averages then, retread passenger tires in the tri-county area are approximately one-half the cost of regular passenger tires.

The average price range for retread light truck tires is \$34 - \$67, whereas the average price range for virgin light truck tires is \$82 - \$39. Light truck retreads are approximately half the price of new light truck tires.

New heavy-duty truck tires range between \$241 - \$478, whereas retreads range between \$76 - \$124. Heavy duty retreads are less than one-third the price of virgin heavy duty tires.

New bus tires range between \$217 - \$528. Retread bus tires range between \$78 - \$132. Bus retreads are one-quarter to one-third the price of new bus tires.

### Sales Volume and Distribution

Those dealers who provide on-site retreading do a significantly larger retread business than those who do not. Those who provide on-site retreading average \$184,000 annually in gross sales and sell 12,034 retreaded tires, while those who do not provide retreading services average \$29,000 in gross retread sales and sell an average of 501 retread tires annually. One on-site retreader far exceeded the others in retreading 300 per day.

The majority of retread tire and retreading service business is with private individuals. The average percentage of sales attributed to private individuals is: by retreading services 55 percent and by dealers in retreads 76 percent. Retreading services attribute an average of 47 percent of sales to business and 4 percent to government. Dealerships selling retreads attribute no business to government and 24 percent to business.

Dealers in "virgin" tires sell 100 percent to private individuals.

The reason that governments in the region do not buy retreads calls for further investigation.

### Miscellaneous Observations

A large majority of dealers who sell retread tires but do not retread on-site claim that retread tire sales made up such a small proportion of their gross sales volume that they could not financially justify purchasing on-site retreading equipment. A mold for one tire size by the mold-cured method costs approximately \$200,000. Pre-cured equipment is substantially less expensive.

Those dealers who sell new tires only frequently state lack of public demand for retreads as the reason for not carrying them. Some dealers theorize that lack of demand is due, in part, to the poor reputation of retread tires relative to safety, particularly in passenger cars.

Although many of the dealers consider this reputation to be justified, industry information indicates that this perception is false. Apparently, 10 to 20 years ago retread methodology did cause safety and performance problems. Today the methodology has been improved and safety and performance is considered by industry experts to be comparable to new tires. While most of the truck casings observed at the roadside are attributed to retreads, studies indicate that one-half of them are new tires. The problem is generally underinflation and overloading rather than retreading.

Many dealers who sell retreads do not know what type of retread they offer.

Except for on-site retreaders, the majority of respondents do not recommend passenger car retreads, stating that they vary little in price from new tires. The survey shows that this perception is not substantiated by the facts. Retreads are one-half to two-thirds less expensive than new tires.

Most of the respondents are more positive in their appraisal of truck and bus retreads than passenger car retreads. None of the dealers mentioned whether bus and truck retreads were as reliable as new tires, but they did acknowledge that bus and truck retreads are priced significantly less than new tires. The survey shows that the larger the tire size, the greater difference in price range between new tires and retreads. For example, the price range for bus retreads is less than one-third of the price for new bus tires.

While retread tires are available in a small proportion of the dealerships in the region, misinformation about retreads is rampant. Dealer perceptions about retreads concerning lack of demand, poor reputation, cost, safety, and types of retreads seem to be unsupported by the facts. The creation of demand for retreads by regional procurement policies may generate like demand for education about retread tires, thereby overcoming these information gaps.

Some dealers who sell retreads volunteered that they do not offer warranties on their retreads because they are not confident in retreads. However, the majority of dealers who retread tires or sell retreads claim that their retread tires are as good as new and offer an "adjustment warranty." This warranty covers tire replacement for manufacturer's defects with a price adjustment based upon the amount of tread remaining on the replaced tire. The "adjustment warranty" represents a general trend in the tire industry. Fewer mileage warranties are being offered on new tires than in the past, because of the lack of control over alignment and manner in which people drive.

Two areas which beg further investigation are: (1) the relative safety of retreads and (2) the conspicuous absence of retread tire purchasing by government. Procurement programs would set up the conditions for testing and documenting retread tire safety by public and private agencies.

Attachment B

DEALERSHIPS THAT SELL RETREAD TIRES  
AND ON-SITE RETREADING SERVICES

CONTRACTORS TIRE CO. 667-8320

Contact: Bill Bryant

1220 SE 190th

Portland, OR 97233

GOODYEAR TRUCK TIRE RETREAD 285-5211

Contact: Harvey Grendolen

1825 NE Argyle

Portland, OR 97211

INDUSTRIAL TIRE RETREADERS 254-9714

Contact: George Wilson

7533 NE Killingsworth

Portland, OR 97218

INDUSTRIAL TIRE SERVICE 256-1016

Contact: J.R. Monsrud

7331 NE Killingsworth

Portland, OR 97218

JUBITZ TRUCKSTOP TIRE & RETREADING 283-1111

Contact: John Lauler

PO Box 11264

Portland, OR 97211

MILWAUKIE TIRE SERVICE 655-6361

Contact: Jim Smith

PO Box 246

Clackamas, OR 97015

NORTHWEST RETREADER INC. 665-6144

Contact: Willis Gill

19004 NE San Rafael Ave.

Portland, OR 97230

RETREAD TIRE SHOP 344-6312

Contact: Lenny Herman

2770 W 11th

Eugene, OR 97402

TIRE DISTRIBUTORS INC. 288-5467

Contact: Johnny Vigil

PO Box 12041

Portland, OR 97212

**DEALERS THAT SELL RETREAD TIRES  
BUT DO NOT RETREAD ON-SITE**

**A-N-T TIRE & WHEEL 236-2106**

Contact: Ron Tanner  
437 SE Union Ave.  
Portland, OR 97214

**BB TIRE SALES COMPANY 283-5248**

Contact: Bill Stewart or Ron Sutton  
7510 NE Union Ave.  
Portland, OR 97211

**BEAVERTON BIG "O" TIRES STORES 646-9113**

Contact: Jim Bacon  
11070 SW Canyon Rd.  
Beaverton, OR 97005

**BIG "O" TIRES 282-2581**

Contact: Jim Bacon  
633 NE Broadway  
Portland, OR 97232-1298

**BIG "O" TIRES INC. 665-3154**

Contact: Jim Hamilton & Jim Kolin  
2001 E Powell Blvd.  
Gresham, OR 97080

**BIG "O" TIRES OF HILLSBORO 640-8847**

Contact: Dick Marudgie  
943 W Baseline Dr.  
Hillsboro, OR 97123

**BIG "O" TIRE OF OREGON CITY 657-9554**

Contact: Dave Green  
875 Molalla Ave.  
Oregon City, OR 97045

**BOB JONES SHELL SERVICE 654-2724**

Contact: Bob Jones  
13780 SE Webster Rd.  
Milwaukie, OR 97267

**BRIGGS AUTO ELECTRIC 666-3278**

Contact: Chris Briggs  
2425 NW Birdsdale  
Gresham, OR 97030

**BROADWAY BIG "O" TIRES 282-2581**

Contact: Scott Thurber  
633 NE Broadway  
Portland, OR 97232-1298

CAROTHERS TIRE 648-7099  
Contact: Doug Carothers or Tony Morris  
1435 SE Spruce St.  
Hillsboro, OR 97123

CHAPMAN'S SERVICE STORE 648-2314  
Contact: John Hamilton  
620 W Main St. #700  
Hillsboro, OR 97123

CHUCK'S MULTNOMAH TEXACO 244-6388  
Contact: Chuck Mau  
4419 SW Multnomah  
Portland, OR 97219

DENNY'S SHELL SERVICE 656-1377  
Contact: Denny Bird  
22250 Willamette Dr.  
West Linn, OR 97006

DICK'S BIG "O" TIRE STORE 657-9554  
Contact: Dave Green  
16850 SE Corsage St.  
Milwaukie, OR 97267

DICK'S TIRES INC. 760-1681  
Contact: Dick  
5002 SE 122nd St.  
Portland, OR 97236

DIVISION STREET TIRE FACTORY 775-1334  
Contact: Ken Hutchins or Merle Wines  
8228 SE Division St.  
Portland, OR 97203

DON LONG'S TIRE SALES & SERVICE 781-2051  
Contact: Don Long  
236 SE 197th  
Portland, OR 97233

ED'S HI TREADS 286-4520  
Contact: Ed Nieger  
8900 SW 17th Ave.  
Portland, OR 97215

EXPRESS LUBE 289-1459  
Contact: Andy Garcia  
7206 N Amherst St.  
Portland, OR 97203



ELMER'S TIRE & WHEEL CO. 232-8000  
Contact: Jeena Elmer  
1807 SE Powell Blvd.  
Portland, OR 97202

FAMOUS BRAND TIRE 774-4872  
Contact: Charlie Barley  
18423 SW Deer Oak Ave.  
Lake Oswego, OR 97035

GOOD USED TIRE 777-6549  
Contact: Tom Hendon  
4510 SE 52nd St.  
Portland, OR 97222

GRATTERI'S INC. 357-3136  
Contact: Steve Wold  
2730 Pacific Ave.  
Forest Grove, OR 97116

GRATTERI'S TIRE & WHEEL CENTER 648-0551  
Contact: Lenny Gratteri  
PO Box 86  
Hillsboro, OR 97123

HAL RITCHIE TIRE COMPANY 283-3504  
Contact: Art Conners  
211 NE Columbia Blvd.  
Portland, OR 97211

INTERSTATE SHELL SERVICE 287-0341  
Contact: Don Sorenson  
4616 N Interstate  
Portland, OR 97217

JACK ENGLE TIRE CENTER 254-1361  
Contact: Jack Engle  
7012 NE Halsey  
Portland, OR 97213

JIM TAYLOR'S ARCO 284-6594  
Contact: Jim Taylor  
5710 NE Fremont St.  
Portland, OR 97213

KEN'S HILLSBORO CHEVRON SERVICE 648-6115  
Contact: Steve Norris  
275 SE Baseline Dr.  
Hillsboro, OR 97123

KRUEGER'S TIRE SALE 667-7999  
Contact: Keith Jones  
2600 NE 238th St.  
Troutdale, OR 97060

MCCANN'S TIRE & WHEEL 357-8161  
Contact: Rick Peterson  
112 N Adair St.  
Cornelius, OR 97113

MILLAR'S HIWAY TIRE COMPANY 266-4086  
Contact: Steve Millar  
1175 SE 1st  
Canby, OR 97013

MOLALLA DISCOUNT TIRES 632-7252  
Contact: Bob Coleman  
14377 S Macksberg Rd.  
Molalla, OR 97038

MOLALLA MUFFLER 829-8841  
Contact: Fred Lais  
804 E Main St.  
Molalla, OR 97038

NANCES AUTOMOTIVE 254-6322  
Contact: Doug Nances  
6901 NE Glisan St.  
Portland, OR 97213

NELSEN TIRE WAREHOUSE 639-4100  
Contact: George Dean  
13880 SW Pacific Hwy  
Tigard, OR 97223

NORENE TIRE & BATTERY 232-2268  
Contact: Louie Norene  
1616 SE Union Ave.  
Portland, OR 97214

NORTHWEST TIRE COMPANY 281-1248  
Contact: Gerald Lambert  
3514 N Vancouver Ave.  
Portland, OR 97227

OREGON CITY MOBIL 656-6466  
Contact: Joe Myers  
1422 NE 114th Ave.  
Portland, OR 97220

PAYLESS TIRE CO. 829-7680  
Contact: Clarence Jacobs  
15239 B Hwy 211 S  
Molalla, OR 97038

PORTLAND TIRE COMPANY 283-3102  
Contact: Nick Hodel  
902 N Lombard St.  
Portland, OR 97217

PRIDAY & MUSIC TIRE SERVICE 630-4227  
Contact: Dean Music  
140 SW Frontage St.  
Estacada, OR 97023

SANDY BLVD TIRE CENTER 252-6110  
Contact: J.R. Middleton  
11536 NE Sandy Blvd.  
Portland, OR 97220

SANTRY TIRE COMPANY 227-3541  
Contact: Bob Denny  
1210 NW 19th Ave.  
Portland, OR 97209

SAV ON TIRES 771-2596  
Contact: Mike Michaeloff  
4918 SE Powell Blvd.  
Portland, OR 97206

SERVICE TIRE COMPANY 284-0284  
Contact: Dave Dolyniuk or Jerry Patrick  
2901 NE Columbia Blvd.  
Portland, OR 97211

SETNIKER ALOHA SHELL 645-0833  
Contact: Jim Setniker  
11536 SW Baseline Rd.  
Beaverton, OR 97006

STARK STREET TIRE & SERVICE 235-3118  
Contact: Rodger Ronning  
2002 SE Stark St.  
Portland, OR 97214

STEVE'S TIRE & WHEEL 760-7472  
Contact: Steve Jackson  
12950 SE Powell Blvd.  
Portland, OR 97236

TIGARD TIRE COMPANY 639-1106  
Contact: Steve Richmond  
11596 SW Pacific Hwy.  
Tigard, OR 97223

TV TEXACO 648-8313  
Contact: Bob Swift  
1259 SE TV Hwy.  
Hillsboro, OR 97123

VON HENDON TIRE 771-3761  
Contact: Jesse Von Hendon  
8150 SE Lamphier  
Portland, OR 97222

WOODY FROMM TIRE COMPANY 667-7098  
Contact: Glenn Putnam  
18120 NE Wilkes Rd.  
Portland, OR 97230

HS:jc  
Dealer.lst

## Attachment C

### A PARTIAL LIST OF CITIES AND COUNTIES USING RETREADS INCLUDES:

Alexander City, AL	Los Angeles, CA	San Francisco, CA	Atlanta, GA
Chicago, IL	Mason City, IA	Perry, IA	Bridgton, ME
Cape Elizabeth, ME	Cumberland, ME	Falmouth, ME	Freeport, ME
Gorham, ME	Gray, ME	Scarborough, ME	Westbrook, ME
Windham, ME	Yarmouth, ME	Carlton, MN	Eden Prairie, MN
Elbow Lake, MN	Faribault, MN	Hopkins, MN	Lester Prairie, MN
Litchfield, MN	Minneapolis, MN	Pine Island, MN	Rochester, MN
Rosemount, MN	St. Paul, MN	St. Louis Park, MN	Wabasha, MN
Henderson, NC	Jersey City, NJ	New Brunswick, NJ	Newark, NJ
Manhattan, NY	Jackson, OH	Oak Hill, OH	Waverly, OH
Wheelersburg, OH	Portland, OR	Philadelphia, PA	Staunton, VA
Seattle, WA	Abbotsford, WI	Alma, WI	Altoona, WI
Amery, WI	Augusta, WI	Baldwin, WI	Balsam Lake, WI
Black River Falls, WI	Boyceville, WI	Chippewa Falls, WI	Clayton, WI
Durand, WI	Eau Claire, WI	Ellsworth, WI	Elmwood, WI
Fairchild, WI	Fountain City, WI	Gilmanton, WI	Glenwood City, WI
Hammond, WI	Hayward, WI	Hudson, WI	Independence, WI
La Crosse, WI	Malden Rock, WI	Menomonie, WI	Osceola, WI
Osseo, WI	Owen, WI	Phillips, WI	Plum City, WI
Prescott, WI	River Falls, WI	St. Croix Falls, WI	Stockholm, WI
Tomahawk, WI	Tony, WI	Waupaca, WI	Whitehall, WI
Wilton, WI			
Tallapoosa County, AL	Cumberland County, ME	Dawson County, MT	
Fallon County, MT	Richland County, MT	Wilboux County, MT	
Yellowstone County, MT	Hunterton County, NJ	Middlesex County, NJ	
Union County, NJ	Bucks County, PA	Montgomery County, PA	
New Brunswick, Canada	West St. Paul, Canada	Winnipeg, Canada	
Manitoba, Canada			

For more information about the benefits of using retread tires, readers are invited to write to Harvey Brodsky, Managing Director, Tire Retread Information Bureau, 26555 Carmel Rancho Boulevard, Suite 3, Carmel, CA 93923. The TIRE RETREAD INFORMATION BUREAU is a non-profit, industry-supported association.



**METRO**

DATE: November 2, 1994  
TO: FILE  
FROM: Paulette Allen, Clerk of the Council *PA*  
RE: ORDINANCE NO. 93-513

Please be advised that Ordinance No. 94-513, For the Purpose of Amending Metro Code Chapter 2.04, Adopting a Recycled Product Procurement Program for Metro, adopted on October 14, 1993 and effective 90 days after the adoption date, repealed:

- 1) Ordinance No. 89-280 and;
- 2) Ordinance No. 89-203; and

rescinded:

- 3) **Resolution No. 89-1099.**

Please refer to Ordinance No. 94-513 and/or the Metro Code for correct language.