

ADDENDUM NO.: 3

FOR

SPECIFICATION NO.: 83944

RFQ NO.: 3519

FOR

**CITYWIDE COMPREHENSIVE JANITORIAL SERVICES, ZONES I, II, III, IV, AND V
TARGET MARKET**

For which bids were scheduled to open in the Bid and Bond Room,
City Hall, 121 North LaSalle Street, Room 301, Chicago, Illinois
at 11:00 A.M., on Friday, September 2, 2011.

**BIDDERS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM NO. 3 IN THE SPACE
PROVIDED ON THE APPROPRIATE PROPOSAL EXECUTION PAGE .**

CHANGE #1: NEW BID OPENING DATE

BID OPENING DATE:

The Bid Opening date scheduled for FRIDAY, September 2, 2011 at 11:00 A.M. is hereby postponed.

NEW BID OPENING DATE:

The new Bid Opening Date is Thursday, September 15, 2011 at 11:00 A.M., Chicago time.

CHANGE #2: ADD SECTION 2.21, GENERAL CONDITIONS, "PREVAILING WAGE RATES"

Add the following:

2.21. PREVAILING WAGE RATES

To the extent required by law, the Contractor will comply, and will cause all of its Subcontractors to comply and insert appropriate provision in their Contracts, with 820 ILCS 130/01 et seq. regarding the payment of the general prevailing rate of hourly wage for all laborers, workers and mechanics employed by or behalf of the Contractor and all Subcontractors in connection with any services. To the extent applicable, the Contractor will ensure that it and its Subcontractors comply with the provisions of the Davis-Bacon Act (prevailing wages) Act, 40 U.S.C. sec 276, as amended, and the Copeland (anti-kickback) Act, 18 U.S.C., sec 874, and related regulations. The Contractor must comply with AN ACT regulating wages of laborers, mechanics, and other workers employed in any public works by the State, county, city or any public body or any political subdivision or by anyone under Contract for public works.

It is the policy of the State of Illinois that a wage of no less than the general prevailing hourly rate as paid for work of a similar character in the locality in which the work is performed, must be paid to all laborers, workers and mechanics employed by or on behalf of any and all public bodies engaged in public works.

The term general prevailing hourly rate, when used in this requirement will mean the hourly cash wages plus fringe benefits for health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works.

If the Department of Labor revises the general prevailing hourly rate to be paid by the public body, the revised rate must apply to such Contract. The term general prevailing hourly rate, when used in this Act means the hourly cash wages plus fringe benefits for health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employee engaged in work of a similar character on public works. A copy of the current Illinois Department of Labor Prevailing Wage Rates for County is attached as Attachment 12.

If the nature of the Work or services under this Contract is subject to the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 et seq., then not less than the general prevailing rate of hourly wages as determined by the Illinois Department of Labor (IDOL) must be paid to all laborers, mechanics, and other workers performing Work under this Contract. Contractor's attention is called to the generally prevailing rate of wages for County in effect at the time these specifications were issued, as determined by IDOL. They are also the prevailing wage rates for the City of Chicago. If required for this Work, they are attached to and incorporated in these specifications, or refer to website:

<http://www.state.il.us/agency/idol/rates/ODDMO/COUNTY.HTM> for County. Contractor is fully responsible for paying the generally prevailing hourly rate of wages in effect, as determined by the IDOL, at the time the Work is performed. If IDOL revises the prevailing rate of hourly wages to be paid for the Work before completion of the Work under this Contract, the revised rate applies from the effective date of the revision, but any such revision will not entitle Contractor to any increased compensation under the terms of this Contract.

As a condition of making payment to the Contractor, the City may require the Contractor to submit an affidavit to the effect that not less than the prevailing hourly wage rate is being paid to laborers, mechanics, and other workmen employed on this Contract in accordance with Illinois law.

CHANGE #3: DELETE IN ITS ENTIRETY: SPECIAL CONDITIONS, SECTION 3.23 PRICE ADJUSTMENT, AS REFERENCED IN ADDENDUM ONE (1) AND TWO (2)

Replace with the following:

3.23 PRICE ADJUSTMENTS

(A) PRICE ADJUSTMENT FOR ALL COSTS EXCLUDING LABOR

Original bid prices set forth on the Proposal Pages of the Contract will remain in effect for the first twelve (12) months of the Contract term. Contractor is not entitled to any price adjustment during this 12 month time period. Contractor should factor in commodity and/or

input price escalations, volatility, risks, and other factors in its proposed prices on the Proposal Pages for the initial twelve (12) month period from the start date of this Contract.

After the initial twelve (12) month period, a price adjustment for Contractor's costs, other than labor, may be considered annually for each subsequent 12 month period. For purposes of determining any price adjustments for this Contract, the City and Contractor will look to changes in the Municipal Cost Index (MCI) as published by the American City & Country Magazine. Comprehensive MCI rates can be found at:

<http://americancityandcounty.com/images/archive/mcihistory.html>.

In order to receive any such adjustment, Contractor must identify the portion of the fully loaded hourly rate stated on the "summary sheet & hourly rate recap" that is paid as wages to Contractor's employees. This amount, i.e., the portion of the fully-loaded rate paid as wages, shall be adjusted pursuant to the Illinois Department of Labor's "**Janitorial Prevailing Wage Rates by County: Cook County**". Failure to provide the required information with the bid will disqualify Contractor from receiving any price adjustment during the term of the Contract. This price adjustment for all costs excluding labor shall apply to the difference between the fully loaded hourly rate and the portion of the fully loaded hourly rate stated on the "summary sheet & hourly rate recap" that is paid as wages to Contractor's employees.

If, during the term of the Contract, the manner in which the MCI as determined by American City & County Magazine is substantially revised, including a change in the base index year, the City will make an adjustment in the revised index that would produce results equivalent, as nearly as possible, to those that would have been obtained if the MCI had not been so revised. If the MCI becomes unavailable to the public because publication is discontinued, or otherwise, or if equivalent data are not readily available to enable the City to make the adjustment, then the City will substitute a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index is available, then a comparable index published by a major bank or other financial institution, by a university or a recognized financial publication.

The Contractor must submit a written request for a positive price adjustment no later than thirty (30) calendar days after the expiration of initial twelve (12) month term and within thirty (30) calendar days of each twelve (12) month anniversary of the Contract thereafter. If the Contractor does not request a price increase within such thirty (30) calendar day period, the Contractor will not be entitled to a price increase for the relevant 12 month period.

After the initial twelve (12) month term, if the MCI has decreased, resulting in a reduction of contract prices, the City will notify the vendor in writing within 60 days of the Contract's anniversary stating the City's intention to reduce prices retroactive to the anniversary date of the Contract. The City will adhere to such notification requirement for any price decreases for each subsequent twelve (12) month anniversary of the Contract thereafter.

The Contractor's unit prices for line items will be adjusted beginning the thirteenth (13) month of the Contract and each year thereafter by an amount determined in accordance with the following formula, or .05, e.g. five percent (5%), whichever absolute value is smaller for each subsequent one (1) year period:

New Contract Price (each item) = Original Bid Price for line items x (1 + percentage change in the MCI)

The percentage change in the MCI should be expressed as a decimal point and rounded to the nearest thousandth (e.g. .015). Please note that the percentage change in the MCI may be positive or negative, but will never be more than .05, therefore any new price will never be greater than 105% or less than 95% of the current contract price. For purposes of determining the first percentage change in the MCI, the base MCI will be the MCI effective the month of Contract award, which will be compared to the MCI in the 12th completed month of the Contract. Subsequent price changes will be based on the year over year percentage change in the MCI

If approved by the Chief Procurement Officer, the price adjustment must be signed by the Chief Procurement Officer reflecting the price adjustment and the effective date for the change. Any such item(s) or services delivered by the Contractor, without written notification signed by the Chief Procurement Officer, are delivered entirely at the Contractor's risk. Consequently, in the event that such written approval by the Chief Procurement officer is not executed, the Contractor hereby releases the City from any liability whatsoever to pay for any item(s) or services delivered prior to the Contractor's receipt of the fully signed approval.

It is the Contractor's responsibility to request the increase. If the Contractor delivers product after the date requested for the escalation to begin (the anniversary date of the start of the Contract) but prior to the increase being granted, the Contractor may retroactively bill the City for the difference if and when the request is formally approved. In the interim the Contractor must bill the City at the prices currently in effect in the Contract.

(B) LABOR RATE ADJUSTMENT

The original bid prices will be valid and firm for, at minimum, the initial twelve months (12) of the Contract period. After the initial twelve months of the Contract period, but not more than once per calendar year, the Chief Procurement Officer will consider, upon written request from the Contractor, a Unit Price Adjustment to offset increases in specified labor related expenses on the part of the Contractor and directly related to services performed through this contract. Unit Price Adjustments are subject to acceptable performance by the Contractor and contingent upon the appropriation of sufficient funds for the procurement of services provided for in this Contract.

Annual increases of the contract pricing must be requested in writing, on Contractor's letterhead from the Contractor, to the Department of General Services and the Department of Procurement Services. The Contractor must submit its request for a Unit Price Adjustment within the same calendar year that it incurred an increase in labor related expenses as a result of increases in wages, employee pension and employee health and welfare expenses as documented on the Illinois Department of Labor (IDOL) website as stipulated in the section entitled "Janitorial Prevailing Wage Rates by County: County". The website link is:

The Illinois Department of Labor (IDOL) will be the primary source for calculating the amount of the Unit Price Adjustment. The amount of the Unit Price Adjustment will be based upon the difference between the published rates for janitorial services workers on the date of contract award, or the date of the last approved Unit Price Adjustment, and the rates published for janitorial services workers at the time the requested Unit Price Adjustment is approved by the Chief Procurement Officer. The timing of the Unit Price Adjustment will coincide with adjustments published on the Illinois Department of Labor (IDOL) website.

The Contractor may submit in writing to the Chief Procurement Officer a request for a Unit Price Adjustment to selected line items within the contract for which the contractor is compensated according to a Fully Loaded Hourly Rate. In order to receive any such adjustment, Contractor must identify the portion of the fully loaded hourly rate stated on the "summary sheet & hourly rate recap" that is paid as wages to Contractor's employees. All other line items will not be adjusted. No overtime or holiday rates will apply when calculating the increase amount. Furthermore, the Contractor's management personnel such as operations manager, supervisors and salaried employees will not be a factor in determining the unit price adjustment amount. Such adjustments are conditioned upon the provisions in the Contract. DGS must first approve any requests to adjust the Fully-Loaded Hourly Rate and the Department of Procurement Services will process a unilateral Contract modification.

The Chief Procurement Officer will only take the following labor related expenditures into consideration for a Unit Price Adjustment:

Wage increases for employees performing services under this contract;

Employer/Contractor contributions to health and welfare fund of employees performing services under this contract;

Employer/Contractor contributions to pension fund of employees performing services under this contract.

All other Contractor expenditures, such as State Unemployment Insurance, Federal Unemployment Insurance, workers compensation cost increases, transportation expenses, fuel expenses, vacation time, funeral leave, sick pay and any other Contractor expenses will not be taken into consideration for a Unit Price Adjustment.

The Contractor must justify its request for an increase by submitting detailed pricing data, support documentation and any other information requested by the Chief Procurement Officer to verify the price increase request. DGS must first approve any requests to adjust the Fully-Loaded Hourly Rate and the Department of Procurement Services will process a unilateral Contract modification. Such changes which are mutually agreed upon by and between the City and the Contractor, will be incorporated in a written agreement to modify this contract, for example:

	Old FLHR	
	+	
Prevailing Wage Rate at Time of Modification	-	Prevailing Wage Rate at time of Contract Award
	+	
Employer Contribution to Pension Fund at Time of Modification	-	Employer Contribution at time of Contract Award
	+	
Employer Contribution to Health & Welfare Fund at Time of Modification	-	Employer Contribution to Health & Welfare Fund at time of Contract Award
	=	
	New FLHR	

The Fully-Loaded Hourly Rate listed in the contract will remain fixed until one or more Unit Price Adjustments, if any, is properly executed by the Chief Procurement Officer. The City will only be responsible for compensating the Contractor in accordance with the rates specified in the Contract. The City will not reimburse the Contractor for any costs incurred during the processing of the Unit Price Adjustment. The City is under no obligation to execute a Unit Price Adjustment. The City will not reimburse the Contractor for any expenses incurred in the event a Unit Price Adjustment is not approved by the City. When calculating the amount of the Unit Price Adjustment, the City will only take into account current Contractor labor related expenses. The City will not take into account any future costs that may be incurred by the Contractor during the term of the Contract.

If, during the term of the Contract, the manner in which the Custodian Janitorial Services rates as determined by IDOL is substantially revised, the City will make an adjustment in the wage rates that would produce results equivalent, as nearly as possible, to those that would have been obtained if the IDOL rates had not been so revised. If the IDOL rates for Custodians/Janitors become unavailable to the public because publication is discontinued, or otherwise, or if equivalent data is not readily available to enable the City to make the adjustment, then the City will substitute for it a comparable index based upon changes in the cost of services published by a governmental agency or, if no such index is available, then a comparable index published by a university or a recognized trade publication.

CHANGE #4: DELETE IN ITS ENTIRETY: SUMMARY SHEET, ON PAGE 18 OF ADDENDUM NUMBER TWO (2), AND REPLACE WITH THE FOLLOWING:

SUMMARY SHEET & HOURLY RATE RECAP

SUMMARY SHEET:

*****BIDDER MUST ALSO COMPLETE PROPOSAL PAGES THAT FOLLOW THIS SUMMARY PAGE*****

**CITYWIDE COMPREHENSIVE JANITORIAL SERVICES SUBMITTAL SUMMARY
 SPECIFICATION NUMBER: 83944
 RFQ NUMBER: 3519**

A contractor can submit a bid for one or more Zone(s) specified in this contract. Check the box and list the total group (zone) extended bid price next to the applicable Zone included in this submittal:

ZONE	ZONE(S) PRICES SUBMITTED FOR √ (Check all applicable zones)	BID SUBMITTAL TOTAL GROUP EXTENDED (Total price by zone)
1		\$
2		\$
3		\$
4		\$
5		\$

HOURLY RATE RECAP:

For purposes of price escalation only, pursuant to Section 3.23, of the Special Conditions, the base hourly rate paid to custodial workers per hour is as follows:

ZONE	Hourly Rate (by zone)
1	\$
2	\$
3	\$
4	\$
5	\$

CHANGE #5: ADD THE FOLLOWING ATTACHMENT: ATTACHMENT NUMBER 12

ATTACHMENT NUMBER TWELVE (12): ILLINOIS PREVAILING WAGE RATES FOR COUNTY

ILLINOIS PREVAILING WAGE RATES (JANITORIAL)

April 4, 2011

Jurisdiction: COUNTY

Wages: Janitor

1st Year	\$11.90/Hour
2nd Year	\$12.40/Hour
3rd Year	\$12.90/Hour
4th Year	\$13.40/Hour
5th Year +	\$15.30/Hour

Supervisor receives an additional \$0.20/Hour of the appropriate rate above or \$0.20/Hour above the highest paid employee being supervised, whichever is greater.

Health & Welfare: Effective July 1, 2011 contributions shall be \$421.19/Month. Contributions shall be prorated for the months in which employees begin working, cease their employment and/or remain on medical or personal leaves of absence.

Pension: \$44.00/Week for each employee regularly scheduled to work 30 or more hours per week and who actually work at least 50% of the employees scheduled workweek. In the event an employee does not work at least 50% of the scheduled workweek, the rate is \$1.10 per hour for all hours actually worked up to \$44.00/week.

Vacation:

1 Year	1 Week
2 Years	2 Weeks
6 Years	2 Weeks plus 1 Day
7 Years	2 Weeks plus 2 Days
8 Years	2 Weeks plus 3 Days
9 Years	2 Weeks plus 4 Days
10 Years	3 Weeks
18 Years	4 Weeks
25 Years	5 Weeks

A week's vacation shall be computed upon the employee's regularly scheduled weekly hours of work for the 52 weeks preceding the vacation. If an employee has worked less than 52 weeks, such vacation shall be based upon the scheduled hours during the total number of weeks the employee has worked.

These wage rates and fringe benefits are determined by the Illinois Department of Labor to be conditions prevalent in the state of Illinois and shall be the minimum requirements for janitorial workers under the Illinois Finance Procurement Code. Retroactive reimbursement is required if less than the prevailing wage was paid at any time.

Source: <http://www.state.il.us/agency/idol/rates/otherR/JAN/JNCOOK.HTM>

Any and all addenda must be acknowledged by the Bidder/Proposer on the Execution Page by Addendum number. Failure on behalf of the Bidder/Proposer may be cause for rejection of bid.

**ALL REVISIONS INSCRIBED HEREIN WILL BE INCORPORATED INTO
THE BID SPECIFICATION PER ADDENDUM NO. 3.**

**CITY OF CHICAGO
DEPARTMENT OF PROCUREMENT SERVICES**

**JAMIE L. RHEE
CHIEF PROCUREMENT OFFICER**