

## **ADDENDUM NO. II**

DATE: January 31, 2017

TO: All Bidders

FROM: Janice McClelland, Assistant Purchasing Agent

SUBJECT: Addendum No. 2 – Dumpster and Roll-off Hauling and Disposal

BIDS TO BE OPENED: February 8, 2017, at 11:00:00 a.m.

This addendum becomes a part of the Contract Documents and modifies the original specifications as noted.

### **Price Adjustment Clause**

Bidders are advised that the following language is now part of the Invitation to Bid:

CPI Price Adjustments. At the end of the base 3-year term of the agreement, the City of Knoxville will allow for a price adjustment on the anniversary of the initial agreement execution date (“annual adjustment date”) and on the same date in each subsequent year thereafter during the remaining years of any renewal terms. The Contractor may adjust the contract per ton rate in accordance with the increase or decrease, if any, based on the “Revised Consumer Price Index for All Urban Consumers – South Region 1982-1984 = 100 - All Items” (“Index”) for the last month published by the Bureau of Labor Statistics of the United States Department of Labor preceding the annual adjustment date, excepting that the maximum annual increase shall not exceed 3%. The new rate for each year will be calculated as per the following example:

Example is based on assuming the execution date falls on September 30<sup>th</sup>, so the previously published month would be August.

CPI at time of calculation for current published period (Current August Index): 134.0  
- CPI for the previous published period (Prior year August Index): 129.9  
= Index point change: 4.1

Index point change (4.1) ÷ Prior year September Index (129.9) = 0.032 x 100 = 3.2% index change

3.2% index change x current per ton rate = New Rate Increase

The increase in the contract price may occur after Contractor has given the City written notice of such change and received written approval of the increase from the City’s Contract Manager.

**END OF ADDENDUM NO. II**