

## ADDENDUM NO. III

DATE: February 1, 2017

TO: All Bidders

FROM: Janice McClelland, Assistant Purchasing Agent

SUBJECT: Addendum No. 3 – 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.

### Change in Price Adjustment Clause

**Bidders are advised that the price adjustment language provided in Addendum 2 was incorrect; that language is no long part of the Invitation to Bid. The correct price adjustment language is provided below and is now part of the Invitation to Bid:**

CPI Price Adjustments.

1. The fees which may be charged by the contractor for the subsequent two (2) years of the original term and any extension thereof shall be adjusted to reflect changes in the cost of operations, as reflected by fluctuations in the Consumer Price Index for Urban Wage Earners and Clerical Workers South Region All Items, 1982-84=100 and the Consumer Price Index for Urban Wage Earners and Clerical Workers South Urban Gasoline, 1982-84=100 (CWUR0300SETB01), published by the U. S. Department of Labor, Bureau of Labor Statistics, as follows:
  - a. Percentage of Rate Change Based on All Items: As of the last day of December of the first year of the contract and every year thereafter (the "Rate Modification Date"), the fee shall be increased for the ensuing yearly period which shall begin on the first day of January immediately following the Rate Modification Date. The adjustment to the fees charged in this paragraph shall be in the percentage amount equal to 80% of the All Items index. For the purposes of computing the adjustment fees charged in this paragraph, the increase shall be determined by comparing the amount shown on the All Items index for July 31<sup>st</sup> of the current year to that shown on July 31<sup>st</sup> of the previous year and, provided the index change is positive, the price adjusted upward on the Rate Modification Date for the period which runs from the first day of January each year to the 31<sup>st</sup> day of December of the succeeding year. However, no annual rate increase resulting from the use of this formula shall exceed 3.5% per year.

- b. Percentage of Rate Change Based on Gasoline: As of the last day of December of the first year of the contract and every year thereafter (the "Rate Modification Date"), the fee shall be increased or decreased for the ensuing yearly period which shall begin on the first day of January immediately following the Rate Modification Date. The adjustment to the fees charged in this paragraph shall be in the percentage amount equal to 20% of the Gasoline index. For the purposes of computing the adjustment fees charged in this paragraph, the increase or decrease shall be determined by comparing the amount shown on the Gasoline index for July 31<sup>st</sup> of the current year to that shown on July 31<sup>st</sup> of the previous year and, provided the index change is positive, the price adjusted upward or downward on the Rate Modification Date for the period which runs from the first day of January each year to the 31<sup>st</sup> day of December of the succeeding year.
2. Requests for price adjustments must be submitted to the City by the Contractor no later than December 1<sup>st</sup> each year in which an increase may be allowed. All requests must be submitted in writing and directed to the City of Knoxville Contract Manager. Failure to make a written request within deadline may result in rejection of the request by the City of Knoxville.

**END OF ADDENDUM NO. III**