DEPARTMENT OF PROCUREMENT SERVICES – CITY OF CHICAGO

October 11, 2019

ADDENDUM NO. 1

FOR

LEASING OF AUTOMOBILES AND LIGHT DUTY TRUCKS
Specification No. 195159A

This document contains:

I. Revisions to the Specification
II. Questions Submitted for Clarification of the Specification
III. Addendum Receipt Acknowledgment

For which Bids are scheduled to be received no later than 11:00 a.m., Central Time on October 21, 2019, in the Department of Procurement Services, Bid & Bond, Room 103, City Hall.

Required for use by:

CITY OF CHICAGO
(Department of Fleet and Facility Management)

This Addendum is distributed by:

CITY OF CHICAGO
Department of Procurement Services

Bidder must acknowledge receipt of this Addendum No. 1 on the Bid Execution Page (Article 13) and should complete and return the attached Acknowledgment by email to Kimberlei.aaron@cityofchicago.org
Attn: Kimberlei Aaron, Chief Contract Expediter
(312) 744-6646

The information contained in this Addendum No. 1 is incorporated by reference into the original Specification issued on September 13, 2019.

<table>
<thead>
<tr>
<th>LORI E. LIGHTFOOT</th>
<th>SHANNON E. ANDREWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAYOR</td>
<td>CHIEF PROCUREMENT OFFICER</td>
</tr>
</tbody>
</table>
OCTOBER 11, 2019

ADDENDUM NO. 1

TO

LEASING OF AUTOMOBILES AND LIGHT DUTY TRUCKS

for

Specification No. 195159A

FOR WHICH BIDS ARE SCHEDULED TO BE OPENED IN THE BID & BOND, ROOM 103, CITY HALL, CHICAGO, ILLINOIS 60602 BY 11:00 a.m., CENTRAL TIME on OCTOBER 21, 2019.

The following revisions will be incorporated in the above-referenced Specification. All other provisions and requirements are as originally set forth in full force and are binding.

BIDDER MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM ON THE BID EXECUTION PAGE (ARTICLE 13) SUBMITTED WITH YOUR BID. FAILURE TO ACKNOWLEDGE MAY RESULT IN BID REJECTION.

SECTION I: REVISIONS TO THE SPECIFICATION

Revision 1:
The Bid Opening Date is postponed to NOVEMBER 12, 2019, 11:00 a.m. Central Time.

Revision 2:
Delete Section 6.12 entitled Insurance Rate Escalation in its entirety and replace with the following:

6.12 Insurance Rate Escalation

The original insurance bid prices for Commercial Automobile Liability insurance, item # 12 on the Proposal Pages, and Physical Damage (Collision and Comprehensive) insurance, line item # 13 on the Proposal Pages will be valid and firm for the initial twelve (12) months of the lease. Beginning on the date after the initial twelve (12) month term, and for each twelve (12) month anniversary thereafter, annual 3% price adjustments of the contract pricing may be made after receipt of written request from the Contractor made no later than thirty (30) calendar days after the expiration of each such twelve (12) month period. If Contractor does not request a price adjustment within such thirty (30) calendar day period, Contractor will not be entitled to a price adjustment for the upcoming year.

The Contractor will be required to furnish one (1) competitive quote from an insurance company or their representative with a financial strength rating of no less than A for excellence per the
"AM Best Rating Guide" to verify the current rate and the effective date of the change and to furnish a certified statement. The Commissioner of the Department of Fleet and Facility Management or his designee may seek independent sources to verify the rate change. Notwithstanding the foregoing, the annual price adjustment of bid lines #12 and #13 shall not exceed an increase of 3%.

If approved by the Commissioner of the Department of Fleet and Facility Management, a properly executed contract modification must be signed by the Contractor and executed by the City to reflect the price change and the effective date for the change. Original bid prices are in effect until the modification has been fully executed and released to the Contractor unless the modification specifies an effective date for the agreed upon price change.

Insurance provided by the Contractor at a price change, without a properly executed contract modification signed by the Commissioner of the Department of Fleet and Facility Management, is made at the Contractor's risk. Consequently, in the event such modification is not executed by the City, the Contractor releases the City from any liability whatsoever to pay for any insurance services provided at an unapproved increase price.

Revision 3:
EXHIBIT 4. SAMPLE LEASED VEHICLE COST CALCULATOR, PAGE 152, is hereby deleted in its entirety and replaced with the following page:
### Exhibit 4. Sample Leased Vehicle Cost Calculator

**SAMPLE CALCULATOR**

**LEASED VEHICLE NCC**

<table>
<thead>
<tr>
<th>Line Code</th>
<th>Description</th>
<th>UOM</th>
<th>Quantity</th>
<th>Bid Price</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FACTORY ORDERED VEHICLES. VEHICLE ACQUISITION FEE (FIXED)</td>
<td>EA</td>
<td>950</td>
<td>$150.00</td>
<td>$142,500.00</td>
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<tr>
<td>2</td>
<td>VEHICLES ORDERED FROM DEALER STOCK. VEHICLE ACQUISITION FEE (FIXED)</td>
<td>EA</td>
<td>30</td>
<td>$60.00</td>
<td>$1,800.00</td>
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<tr>
<td>3</td>
<td>NON FLEET ALLOCATED AND NON FACTORY ORDERABLE VEHICLES ACQUISITION FEE (FIXED)</td>
<td>EA</td>
<td>20</td>
<td>$60.00</td>
<td>$1,200.00</td>
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<tr>
<td>4</td>
<td>AFTER-MARKET INSTALLED EQUIPMENT (FIXED DISCOUNT FROM LIST)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>ADJUSTMENT TO INTEREST RATE (FIXED)</td>
<td>%</td>
<td></td>
<td>5.0%</td>
<td>4.500%</td>
</tr>
<tr>
<td>6</td>
<td>TOTAL INTEREST = AOB*INTEREST RATE * 5 YEAR CONTRACT TERM</td>
<td></td>
<td></td>
<td></td>
<td>$3,049,463</td>
</tr>
<tr>
<td>7</td>
<td>MONTHLY LEASE MANAGEMENT FEE (FIXED)</td>
<td>EA</td>
<td>30000</td>
<td>$15.00</td>
<td>$450,000.00</td>
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<tr>
<td>8</td>
<td>MONTHLY FULL MAINTENANCE RATIO (FIXED)</td>
<td>EA</td>
<td></td>
<td>$23,772,500.00</td>
<td>0.275%</td>
</tr>
<tr>
<td>9</td>
<td>PARTS, VEHICLE, DISCOUNT FROM CATALOG LIST PRICE LIST</td>
<td></td>
<td></td>
<td>$500,000.00</td>
<td>5.0%</td>
</tr>
<tr>
<td>10</td>
<td>VEHICLE REPAIRS - LABOR TO PERFORM MECHANICAL AND ELECTRICAL REPAIR SERVICES IN CONTRACTOR OR SUBCONTRACTOR SHOP, REGULAR BUSINESS HOURS</td>
<td>Hour</td>
<td>4000</td>
<td>$100.00</td>
<td>$400,000.00</td>
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<tr>
<td>11</td>
<td>VEHICLE TOWING - DRIVE, TOW OR TRANSPORT VEHICLES OR EQUIPMENT BETWEEN CITY FACILITY AND CONTRACTORS SHOP (EACH WAY)</td>
<td>EA</td>
<td>1,000.00</td>
<td>$50.00</td>
<td>$50,000.00</td>
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<tr>
<td>12</td>
<td>MONTHLY COMMERCIAL AUTOMOBILE LIABILITY INSURANCE</td>
<td>MONTH</td>
<td>60000</td>
<td>$100.00</td>
<td>$6,000,000.00</td>
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<tr>
<td>13</td>
<td>MONTHLY PHYSICAL DAMAGE (COLLISION AND COMPREHENSIVE) INSURANCE</td>
<td>MONTH</td>
<td>60000</td>
<td>$50.00</td>
<td>$3,000,000.00</td>
</tr>
<tr>
<td>14</td>
<td>INSURANCE EXCLUDABLE (PER OCCURRENCE)</td>
<td>EA</td>
<td>2400</td>
<td>$100.00</td>
<td>$240,000.00</td>
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<tr>
<td>15</td>
<td>MISCELLANEOUS LEASE RELATED CHARGES (LICENSE / TITLE ETC.)</td>
<td>EA</td>
<td>$500,000.00</td>
<td>1.00</td>
<td>$500,000.00</td>
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<tr>
<td>16</td>
<td>DISCOUNT TO VEHICLE MSRP (TO BE APPLIED AFTER SUBTRACTING INCENTIVES AND REBATES)</td>
<td></td>
<td></td>
<td>$24,000,000.00</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

**TOTAL CAPITALIZED AMOUNT (TCA) (LINE 1+2+3+4+16):** $23,772,500.00

**TOTAL CONTRACT VALUE:** $40,742,176

**AVERAGE OUTSTANDING BALANCE (AOB):** $13,553,168.75
SECTION II: QUESTIONS SUBMITTED FOR CLARIFICATION OF THE SPECIFICATION

Please see the questions below from Enterprise Fleet Management regarding bid number 195159A.

Would the City of Chicago be willing to entertain the following changes to bid number 195159A:

CONTINGENCY LANGUAGE FOR CITY OF CHICAGO LEASING BID – SPECIFICATION NUMBER 195159A

It is Enterprise Fleet Management Inc.’s intention to work with the City of Chicago to arrive at a mutually beneficial solution regarding contract negotiations of the City of Chicago’s Bid Terms and Conditions. Enterprise Fleet Management utilizes Enterprise FM Trust as the Lessor in the Asset-backed securitization (ABS) market, which is the best market for a leasing business to obtain its debt. Without a Trust as the Lessor, it would not be possible to enter this debt market. Additionally certain terms and conditions that obligate the Trust may prohibit entering this debt market. Due to this, we would like to negotiate certain terms of the City of Chicago’s Bid Standard Terms and Conditions. Additionally, the Enterprise Master Equity/Walkaway Lease Agreement must take precedence over all contracts and agreements. All pricing is subject to successful contract negotiations and dependent on credit worthiness.

Below are the recommended changes to the Bid Specifications.

Question 1:
3.1.2.1. Order of Precedence

Delete Section 3.1.2.1. and replace with below language.

Enterprise proposed language:

3.1.2.1. Order of Precedence

The order of precedence of the component contract parts will be as follows:

- Master Equity/Walkaway Lease Agreement including the amendments and schedules
- Maintenance Agreements including the amendments
- If funded by the Federal government or State of Illinois, terms required by the Federal Government or State of Illinois, as applicable, whether set out in this document, in a Task Order Request (if applicable), or otherwise.
- Standard provisions and form provisions relating to this procurement type
- Scope of Work and Detailed Specifications
- Task Order (if applicable)
- All other parts of this Contract.

Provided, however, in the event of an inconsistency between terms set out among different component parts of the Contract, or terms set out within a Contract part, the Master Equity/Walkaway Lease Agreement controls.

Response: "Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions."
**Question 2:**

3.1.2.4. Entire Contract

Delete Section 3.1.2.4. and replace with below language.

**Enterprise proposed language:**

3.1.2.4. Entire Contract

The Contract Documents and the Master Lease Agreements including the amendments and schedules constitute the entire agreement between the parties and may not be modified except by the subsequent written agreement of both parties.

*Response: "Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City's standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions."*

**Question 3:**

3.1.3.1. No Assignment of Contract

Delete Section 3.1.3.1. and replace with below language.

**Enterprise proposed language:**

3.1.3.1. Assignment of Contract

Lessor may from time to time assign, pledge or transfer the Master Equity/Walkaway Lease Agreement and/or any or all of its rights and obligations under the Master Equity/Walkaway Lease Agreement to any person or entity. Lessor shall provide written notification in the event of a non-financial assignment.

*Response: "Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City's standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions."*

**Question 4:**

3.1.3.3. No Pledging or Assignment of Contract Funds Without City Approval

Delete Section 3.1.3.3. and replace with below language.

**Enterprise proposed language:**

3.1.3.3. Assignment of Contract

Lessor may from time to time assign, pledge or transfer the Master Equity/Walkaway Lease Agreement and/or any or all of its rights and obligations under the Master Equity/Walkaway Lease Agreement to any person or entity. Lessor shall provide written notification in the event of a non-financial assignment.

*Response: "Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City's standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions."*

**Question 5:**

3.1.3.4. City’s Right to Assign

Delete Section 3.1.3.4. and replace with below language.
Enterprise proposed language:

3.1.3.4. City’s Right to Assign

Without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor which consent shall not be unreasonably withheld, conditioned, or delayed.

Response: “Enterprise Fleet Management's request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions.”

Question 6:

3.1.6. Indemnity

Delete Section 3.1.6. and replace with below language.

Enterprise proposed language:

3.1.6. Indemnity

Contractor agrees to defend and indemnify the City of Chicago from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys’ fees and expenses) which the City of Chicago may incur by reason of Contractor's breach or violation of, or failure to observe or perform, any of its obligations as Servicer for Lessor in connection with the Master Equity/Walkaway Lease Agreement between the City of Chicago and Lessor dated as of the date hereof, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle, in each case, while the Vehicle was in possession of the Servicer.

Response: “Enterprise Fleet Management's request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions.”

Question 7:

3.2.1.1. Purchase Orders

Delete Section 3.2.1.1. and replace with below language.

Enterprise proposed language:

3.2.1.1. Purchase Orders

Purchase orders must include detailed vehicle information including the vehicle type, year, make, model, trim, series number, aftermarket, vehicle quantity, monthly lease cost, monthly maintenance cost, mileage selected option descriptions, standard equipment. Current market and vehicle conditions may affect value of vehicle.

Lessor will be the owner of the vehicle covered by the Purchase Order. The Lessor, as the owner of such vehicle under the Master Equity/Walkaway Lease Agreement shall have all rights and obligations under
the Master Equity/Walkaway Lease Agreement with respect to such vehicle. All tax and license fees will be billed to Lessee as they occur.

Lessee will authorize each Purchase Order with an authorized signor, and with such signature hereby agrees to lease the vehicle(s) on the terms set forth herein and in the Master Equity/Walkaway Lease Agreement and agrees that Lessor shall have the right to collect damages in the event Lessee fails or refuses to accept delivery of the ordered vehicle.

Lessee certifies that it intends that more than 50% of the use of the vehicle is to be in a trade or business of the Lessee. The capitalized price of a vehicle may be adjusted to reflect final manufacturer’s invoice. Lessee hereby assigns to Lessor any manufacturer rebates and/or manufacturer incentives intended for the Lessee, which rebates and/or incentives have been used by Lessor to reduce the capitalized price of the vehicle. The monthly lease charge will be adjusted to reflect the interest rate on the delivery date (subject to a floor).

Response: “Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions.”

Question 8:

3.2.1.2. Invoices

Delete Section 3.2.1.2. and replace with below language.

Enterprise proposed language:

3.2.1.2. Invoices

The monthly payments will be in the amount listed as the “Total Monthly Rental Including Additional Services” on the applicable vehicle schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable vehicle schedule being payable to Lessor) and will be due and payable in advance on the first day of each month.

Response: “Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions.”

Question 9:

3.2.1.3. Payment

Delete Section 3.2.1.3. and replace with below language.

Enterprise proposed language:

3.2.1.3. Payment

Any lease payment or other amount owed by Lessee to Lessor which is not paid within thirty (30) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per month equal to the lesser of (i) One and a half Percent (1.5%) per month or (ii) the highest rate permitted by applicable law (the “Default Rate”).

Response: “Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions.”
**Question 10:**

3.2.1.5. City Right to Offset

Delete this Section 3.2.1.5. City Right to Offset in its entirety.

*Response:* "Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions."

**Question 11:**

6.9.2. Delivery

Delete Section 6.9.2. and replace with below language.

**Enterprise proposed language:**

**6.9.2. Delivery**

The Contractor must deliver the specified vehicles or equipment, complete with all attachments and ready for use. Delivery must be made between the hours of 8:00 a.m. and 2:30 p.m., Monday through Friday, excluding Holidays. Vehicles must be delivered F.O.B. Destination (City of Chicago), IL at the following address:

Department of Fleet and Facility Management  
5219 S. Wentworth Ave.  
Chicago, IL 60609  
Attn: Kevin Campbell, Phone #: (312) 907-5950.

Delivery times may vary based on manufacturer production cycles and capacity. Contractor will provide estimated times of delivery at time of ordering as well as updates to delivery status. Delivery times from receipt of order average 4 – 16 weeks depending on the above listed.

The above noted Contact Person must be notified at least 48 hours prior to delivery of the specified Vehicles.

Delivery must be made F.O.B., City of Chicago, Department of Fleet and Facility Management or any other using departments address, any point within the City at no charge to Lessee, regardless of the Purchase Order Release amount.

Lessor must be capable of local delivery and pick-up of leased vehicles, at the request of Lessee, at a designated location(s) which will require involvement from Lessor, during the entire process, at no additional cost to Lessee.

The term of the lease ("Lease Term") for each Vehicle begins on the date such Vehicle is delivered to and accepted by Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms this contract continues for the "Lease Term".

*Response:* "Enterprise Fleet Management's request, as specified in its email dated 9/25/2019, to negotiate the City's standard terms and conditions and other matters, is rejected. Please see bid solicitation, section 1.7 Exceptions."

**Question 12:**

6.12. Insurance Rate Escalation

Delete Section 6.12. and replace with below language.
Enterprise proposed language:

6.12. Insurance Rate Escalation

The original insurance bid prices for Commercial Automobile Liability insurance, item # 10 on the Proposal Pages, and Physical Damage (Collision and Comprehensive) insurance, line item # 11 on the Proposal Pages will be valid and firm for the initial twelve (12) months of the lease. Beginning on the date after the initial twelve(12) month term, and for each twelve (12) month anniversary thereafter, annual price adjustments of the contract pricing (not to exceed 6% combined) may be made after receipt of written request from the Contractor made no later than thirty (30) calendar days after the expiration of each such twelve (12) month period.

The Contractor will be required to furnish one (1) competitive quote from an insurance company or their representative with a financial strength rating of no less than A for excellence per the “AM Best Rating Guide” to verify the new rates and the effective date of the change and to furnish a certified statement. The Commissioner of the Department of Fleet and Facility Management or her designee may seek independent sources to verify the rate change. Notwithstanding the foregoing, the annual price adjustment of the insurance rate pricing shall not exceed a combined increase of 6%.

A properly executed contract modification must be signed by the Contractor and executed by the City to reflect the price change and the effective date for the change.

Insurance provided by the Contractor at a price change, without a properly executed contract modification signed by the Commissioner of the Department of Fleet and Facility Management, is made at the Contractor's risk.

Contractor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving the City of Chicago at least thirty (30) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in the Master Equity/Walkaway Lease Agreement shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and the City of Chicago agrees to furnish Contractor with satisfactory proof of insurance coverage within thirty (30) days after mailing of the notice.

Response: See Revision #2

“Enterprise Fleet Management’s request, as specified in its email dated 9/25/2019, to negotiate the City’s standard terms and conditions and other matters, is rejected.”
DEPARTMENT OF PROCUREMENT SERVICES – CITY OF CHICAGO

October 11, 2019

Addendum No. 1

FOR

LEASING OF VEHICLES AND LIGHT DUTY TRUCKS

SPECIFICATION NO. 195159A

Required by:

CITY OF CHICAGO
Department of Fleet and Facility Management
Consisting of Sections I, II, and III including this Acknowledgment.

SECTION III. ADDENDUM RECEIPT ACKNOWLEDGMENT

I hereby acknowledge receipt of Addendum No. 1 to the Specification named above and further state that I am authorized to execute this Acknowledgment on behalf of the company listed below.

__________________________________  ______________________
Signature of Authorized Individual  Title

____________________________  ______________________
Name of Authorized Individual (Type or Print)  Company Name

____________________________
Business Telephone Number

Complete and Return this Acknowledgment by email to:
Kimberlei.aaron@cityofchicago.org
Attn: Kimberlei Aaron, Chief Contract Expediter