



ADDENDUM II

SUBJECT: FY25 Medium and Heavy-Duty Trucks, (IFB 6100018826), Scheduled to Close: February 17, 2025; Date of Issue: January 31, 2025

FROM: Jennifer Johnson
Procurement Administrator

DATE: February 14, 2025

THIS NOTICE SHALL SERVE AS ADDENDUM NO. II - TO THE ABOVE REFERENCED INVITATION FOR BID

THE ABOVE MENTIONED INVITATION FOR BID IS HEREBY AMENDED AS FOLLOWS:

- 1. Modify: The IFB opening date has been extended to February 28, 2025; 2:00 PM CT.**
- 2. Modify: IFB Document Section 005 – Supplemental Terms & Conditions:**

Price Decreases or Discount Increases

CONTRACTOR shall immediately implement any price decrease or discount increase that may become available. CONTRACTOR shall notify CITY of price decreases or discount increases by e-mail to: jody.delarosa@sanantonio.gov.

Price Adjustment Calculation

Prices may be adjusted at renewal, or at the sole discretion of CITY throughout the term of the Contract, upward or downward when correlated with the index specified below and published by the Bureau of Labor Statistics (BLS).

BLS website: <http://data.bls.gov/cgi-bin/srgate>

OEM options and services:

Producer Price Index: PCU33612-33612- Heavy duty truck manufacturing

Non-OEM options and services:

Producer Price Index: PCU3362113362115 Other truck and vehicle bodies, sold separately.

Or other appropriate PPI agreed upon by CONTRACTOR and CITY

Note: Enter the index number in the Series ID box and click Next and "Retrieve Data."

For a price adjustment request, the CONTRACTOR will calculate the maximum allowable Contract price using the following formula:

Maximum Allowable Contract Price = (Original Awarded Price ÷ Original Index) x New Index, where:

(1) "Original Awarded Price" is the price at which the item was initially awarded to the CONTRACTOR;

(2) "Original Index" is the index value for the month and year that Responses to this Solicitation were submitted; and

(3) "New Index" is the index value for the month and year that the price increase request is submitted.

If the CONTRACTOR can demonstrate that the price index lags behind costs of performance or does not account for significant costs of performance, **CONTRACTOR may request CITY to consider other documentation of its cost to perform the Contract, such as published manufacturer's Suggested Retail Price (MSRP), quotes or invoices dated at the time of the bid submission.** CITY may consider cost documentation that in its sole discretion is acceptable. Acceptable cost documentation must at a minimum be (1) clearly related to Contract performance, (2) verifiable by an external or third-party source, and (3) certified as complete and accurate by the CONTRACTOR, under penalty of perjury.

Price Adjustment Requests

Proposed pricing must remain firm for the model year of vehicle bid. At model year changeover, price adjustments may be requested based upon the formula in preceding section, Price Adjustment Calculation.

CITY may accept, reject, or negotiate price adjustments downward. The Contractor will receive written notification from City documenting action taken, including effective dates, when appropriate.

If a complete, properly submitted price increase request is approved, CITY has right of first refusal for all vehicles on any purchase order that was issued under this Contract before the manufacturer's cut-off date. If a complete, properly submitted price increase request is rejected, the Contractor may request to cancel the Contract for those items covered by the request. By submitting a price increase request under this section, CONTRACTOR warrants and certifies that it has not entered into any agreement, offered to enter into any agreement, negotiated with, or consummated any transaction relating to such vehicle(s) with any person or entity other than CITY. City may approve or reject item cancellation requests. CITY will specify the effective date of item cancellation in its written notice of approval. CONTRACTOR is prohibited from selling such vehicle(s) until after the City has rejected the price adjustment. **Purchase orders dated prior and up to the effective date of approval or cancellation, as applicable, must be honored at the Contract price in effect when issued.**

Price adjustment requests and cancellation requests under this section should be sent by email to: jody.delarosa@sanantonio.gov.

Tariffs

The parties may agree to adjust prices periodically to reflect changes in tariffs implemented after the Bid Due Date that affect the cost of supplying goods under this Contract. Any existing tariffs at the time of the response should be considered as part of the response price. To request a price increase related to tariffs, Contractor must provide documentation that includes the effective date, amount, and scope of the tariffs. Contractor must demonstrate with specificity the effect of tariffs on its necessary and reasonable cost of supplying goods under this Contract, including its commercial reasons for using a source subject to tariffs. Any adjustment is at CITY's sole discretion. If CITY grants an adjustment related to tariffs, Contractor shall monitor tariff levels and notify CITY within

five working days of any reduction or repeal. CITY may reduce or retract a tariff adjustment it has granted at any time by notifying the Contractor of the new prices.

New Vehicle Model Substitution

CONTRACTOR may request the substitution of the new vehicle models if all the following conditions are met:

- (1) The Model did not exist at the time of this solicitation,
- (2) The Model is produced by an OEM Brand for which the CONTRACTOR was awarded, or a Brand that was not awarded on the Contract (in the event CONTRACTOR holds more than one dealer franchise for source supply),
- (3) The Model meets or exceeds the Contract requirements and specifications as a substitute for which the Contractor was awarded; and
- (4) CONTRACTOR must offer third party options at the same price bid on the same or similar series.

The acceptance of a new vehicle model requires written CITY approval and shall be a CITY's sole discretion. CITY reserves the right to:

- (1) Substitute a new vehicle in the event an awarded vehicle is no longer manufactured or otherwise becomes unavailable. The substitute vehicle must meet the series specification requirements of the vehicle it is replacing.
- (2) Add options or accessories to awarded vehicles when new options or accessories become available.
- (3) Add or substitute vehicles of the same general category included in this IFB at any time during the term of the contract.



Jennifer Johnson
Procurement Administrator
Finance Department - Procurement Division

Acknowledged and Agreed:

Company Name _____

Address _____

City/State/Zip Code _____

Signature: _____

Date: _____