

CHICAGO TRANSIT AUTHORITY
Advertisement for Bids

Sealed bids will be received for the following by Chicago Transit Authority at the Bid Office - 2nd Floor, 567 W. Lake Street, Chicago, IL, 60661-1498, no later than 11:00 a.m. on Tuesday, April 21, 2015 at which time all such bids will be opened publicly and read aloud:

Req No: B14OP00689R, Spec. No. CTA 7828-09(R14)
Furnish and Deliver Repair Parts for Co-Ray-Vac Gas Fired Radiant Heating Units as required for a period of up to Thirty-Six (36) months from the date of contract execution.

PROPOSAL GUARANTEE: NONE

For additional information, please contact James DePino, Procurement Administrator, 312/681-2407.

Any contract resulting from this advertisement will be awarded to the lowest responsive and responsible bidder.

Chicago Transit Authority hereby notifies all bidders that it will affirmatively ensure that in regard to any contract entered into pursuant to this advertisement, Disadvantaged Business Enterprise will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

PLEASE NOTE: When bids are sent by mail, delivery service or delivered in-person to the CTA Bid Office, the bidders shall be responsible for their delivery only to the Bid Office before the advertised date and hour for the opening of the bids. The Bid Office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m. Chicago time, except holidays.

The right is reserved to accept any bid or any part or parts thereof or to reject any and all bids.

All inquiries should be directed to and copies of bid documents obtained from the Bid Office - 2nd Floor, 567 W. Lake Street, Chicago, Illinois 60661-1498.

CHICAGO TRANSIT AUTHORITY

By: Ellen McCormack
Vice President,
Purchasing & Supply Chain

March 31, 2015



PROCUREMENT SPECIFICATIONS AND CONTRACT DOCUMENT FOR

FURNISH AND DELIVER REPAIR PARTS FOR CO-RAY-VAC GAS FIRED RADIANT HEATING UNITS AS REQUIRED FOR A PERIOD OF UP TO THIRTY-SIX (36) MONTHS FROM THE DATE OF CONTRACT EXECUTION

REQUISITION NO.: B14OP00689R

SPECIFICATION NO.: 7828-09(R14)

DRAWING NO.: None

PROJECT NO.: None

INSURANCE REQUIRED: None

BID DEPOSIT AMOUNT: None

INFORMATION:

Procurement Administrator: Jim DePino

Phone Number: (312) 681-2407

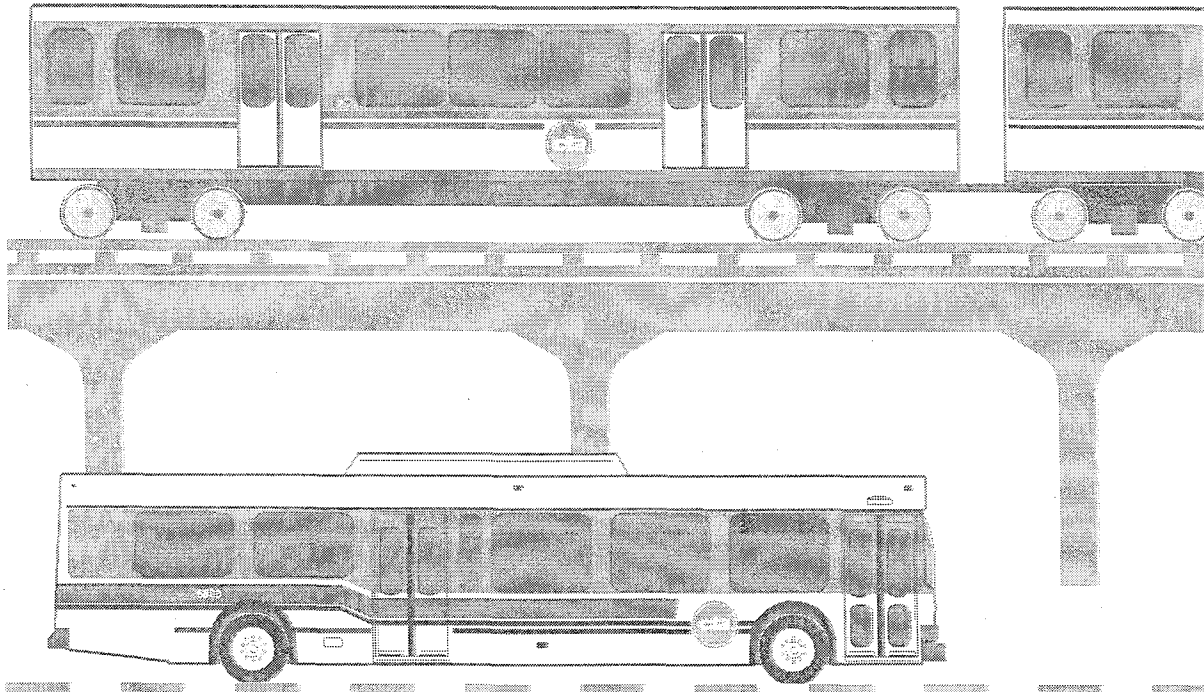
Email Address: jdepino@transitchicago.com

BID PACKAGES TO BE RETURNED TO:

By Mail, In Person Drop-off or Delivery Service

Chicago Transit Authority
567 W. Lake Street
2nd Floor – Bid Office
Chicago, IL 60661-1498

All Signatures to be sworn before a Notary Public



ISSUED BY

Purchasing Department, Chicago Transit Authority
567 W. Lake Street, Chicago IL 60661-1498
Ellen McCormack, Vice President, Purchasing & Supply Chain
Forrest Claypool, President
Terry Peterson, Chairman

READ THIS PAGE BEFORE FILLING OUT BID PACKAGE

DOCUMENT PREPARATION

for Materials & Supplies

One (1) complete bid package is included. One (1) complete copy of this bid package is to be returned in a sealed envelope with the following on the cover: Bidder's name, Address, Title of the procurement including Requisition Number, and Advertised date and hour designated for the bid opening as shown on the advertisement. Returned copy must contain original signatures. CTA recommends that you make and retain one copy for your records.

SIGNATURES REQUIRED ON THE FOLLOWING ITEMS

- **DBE PARTICIPATION SCHEDULES B, C, & D** – *Schedules C and D must be filled out and signed by all bidders/DBE subs; Schedule B must also be filled out and signed if the bidder is a joint venture.*
All information relative to Disadvantaged Business Enterprise (DBE) participation for this contract is outlined in the DBE Special Conditions section entitled, "*Disadvantaged Business Enterprise Commitment*".
- **GOOD FAITH EFFORTS TO MEET CONTRACT DBE GOAL** – If the contract DBE goal (if any) cannot be fully met through DBE participation on this contract, the bidder must submit a signed letter on its company letterhead and supporting documentation to show that all reasonable "Good Faith Efforts" were made toward fulfilling the required DBE goal. Please refer to "SPECIAL CONDITIONS -DISADVANTAGED BUSINESS ENTERPRISE COMMITMENT" Good Faith Efforts (Section V or VI) for further details. Failure to document Good Faith Efforts to meet the contract DBE goal when the goal cannot be fully met through participation will result in a "Non-Responsive" (Disqualified) bid which will be ineligible for contract award.
- **BUY AMERICA CLAUSES** – Certificate of Compliance or Non-Compliance with Sections 165(a) and 165(b)(3). [Does not apply to Operating funded procurements, personal minicomputer purchases or purchases less than \$100,000.00.]
- **CERTIFICATION REGARDING A DRUG FREE WORKPLACE**
- **CERTIFICATION OF PARTICIPANT REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS.** Two forms: PRIMARY and LOWER TIER (when applicable).
- **CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS (LOBBYING CERTIFICATION)**

A NOTARIZED SIGNATURE by an authorized officer of your business must appear on one of the following Proposal Execution pages:

- **AFFIDAVIT OF PROMPT PAYMENT**
- **AFFIDAVIT OF MINIMUM WAGE PAYMENT**
- **TO BE EXECUTED BY A CORPORATION**

The SIGNATURE OF AUTHORIZED OFFICER, under Corporate Name must be President or Vice President. If signed by any other person, a resolution or by-law authorizing such person to execute a contract must accompany the Proposal.

Note – Name of Signatory in Notary is same name as Signature of Authorized Officer.

- **TO BE EXECUTED BY PARTNERSHIP OR JOINT VENTURE**

Note – Name of Signatory in Notary is same name as first signature line – Partner.

- **TO BE EXECUTED BY SOLE PROPRIETOR**

Note – Name of Signatory in Notary is same name as Name of Bidder.

OWNERSHIP DISCLOSURE – This document is required, failure to address this will cause a delay in the execution of the contract.

INSURANCE (when required) – The awarded contractor must provide **certified** copies of insurance policies in order to allow for contract execution. CTA is to be named an **additional insured**. This should be taken into consideration when submitting your bid.

Note: Questions on the Detail Specification must be in writing to the Procurement Administrator listed on the front of the bid document no later than seven (7) calendar days prior to the bid due date. After that, there will not be sufficient time for the Procurement Administrator to obtain responses to questions.

Failure to sign the documents listed above may result in your firm not being awarded the contract.

CONTRACT FOR SUPPLIES REQUIREMENTS FOR BIDDING AND INSTRUCTIONS TO BIDDERS

Bids will be received by the **CHICAGO TRANSIT AUTHORITY**, a Municipal Corporation, in accordance with the Contract Documents set forth herein.

1. DEFINITIONS AND INTERPRETATION:

Unless otherwise expressly stated herein, the following words, terms and phrases shall have those meanings set forth below:

"Authority" means the Chicago Transit Authority ("CTA") acting by and through the Chicago Transit Board or its duly authorized agent, servant or employee in connection with the Contract Documents.

"Bid" means the document conveying an offer from a party desiring to provide or procure goods or services in response to a solicitation.

"Bidder" means the general term for the entity that submits a response to this solicitation. Any individual, firm, partnership, corporation, or combination thereof, submitting a Bid for the work contemplated, acting directly or through a duly authorized representative.

"Contact Person" means the individual designated the "Contact Person" in the Special Conditions of this Contract, or his or her authorized designee.

"Contract" means the legally binding agreement to be entered into by the bidder selected as a result of this solicitation.

"Contract Documents" means all of the agreements, specifications and documents which together form the Contract.

"Contractor" means the person, entity, or authorized representative identified as such in the Contract Documents, and is referred to throughout the Contract Documents as if singular in number.

"DOT" means the United States Department of Transportation or any successor agency.

"FTA" means the DOT's Federal Transit Administration or any successor agency.

"General Manager, Purchasing" means the Authority's General Manager, Purchasing or his or her authorized representative.

"IDOT" means the Illinois Department of Transportation or any successor agency.

"Procurement Administrator" means the Procurement Administrator identified in this solicitation for this Contract, or his or her authorized designee.

"RTA" means the Regional Transportation Authority or any successor agency.

"Subcontractor" means any person or entity with whom the Contractor subcontracts to provide any part of the work and all Subcontractors of any tier, suppliers, and material suppliers, whether or not in privity with Contractor.

"Vice President, Purchasing and Supply Chain" means the Vice President, Purchasing and Supply Chain of the Chicago Transit Authority, or his or her authorized designee.

The singular shall include the plural and the masculine includes the feminine.

2. COMPLIANCE WITH LAWS:

The bidders shall at all times observe and comply with all laws, ordinances, regulations and codes of the Federal, State, City, and other local government agencies, which may in any manner affect the preparation of bids or the performance of the Contract.

3. BID DEPOSIT:

A bid shall, when required in the advertisement, be accompanied by cash, a cashier's check, a certified check, a money order or an approved bid bond in the amount shown in the advertisement, and as may be prescribed in the Contract Documents.

All certified, cashier's checks or money orders shall be drawn on a responsible organization doing business in the United States and shall be made payable to the order of the Chicago Transit Authority.

Any bid bond submitted must reference the specific CTA inquiry numbers and have an Alfred M. Best Company "B+" Policyholders Rating and an "X" Financial Rating or better.

The period of the bond must be for not less than ninety (90) calendar days from the date of bid opening.

4. PREPARATION OF BID:

The bidder shall prepare his bid in DUPLICATE on the attached bidding forms, submit one (1) copy and retain one (1) for his records. Unless otherwise stated on the bidding form, all blank spaces on the bid, applicable to the subject specification, must be correctly filled in. Either a unit price or a lump sum price, as the case may be, must be stated for each and every item, either typed in or written in ink, in figures, and if required, in words.

If bidder is a Corporation, the President or Vice-President and Secretary or Assistant Secretary, shall execute both copies of the bid. The Corporation shall affix its seal to both copies. In the event that the bid is executed by someone other than the President or Vice-President, a certified copy of that section of the Corporate By-Laws or resolution of the Corporation which permits the person to execute the offer for the Corporation shall be furnished with the bid.

If bidder is a Partnership or Joint-Venture, all partners or joint-ventures shall execute both copies of the bids unless one partner or joint-venture has been authorized to sign for the Partnership or Joint-Venture, in which case, evidence of such authority satisfactory to the Procurement Administrator shall be submitted with the bid.

If bidder is a Sole Proprietor, he shall execute both copies of the bid.

A "Partnership," "Joint-Venture" or "Sole Proprietor" operating under an Assumed Name must be registered with the Illinois County in which it is located, as provided in the Assumed Business Name Act, 805 ILCS 405 et seq., as amended.

ALL SIGNATURES MUST BE SWORN TO BEFORE A NOTARY PUBLIC

5. SUBMISSION OF BIDS:

All prospective bidders shall submit **ONE (1) SEALED BID** in an envelope for that purpose to the CHICAGO TRANSIT AUTHORITY, Bid Office – 2nd Floor, 567 W. Lake Street, Chicago, Illinois 60661-1465; the sealed envelope submitted by the prospective bidder shall carry the following information on the face of the envelope: **bidder's name, address, subject matter of bid including identifying numbers, advertised date of bid opening, and the hour designated for the bid opening as shown on the advertisement.**

The bidders shall be responsible for their delivery to the Bid Office before the advertised date and hour for the opening of bids. If the delivery of a bid is delayed beyond the date and hour set for the bid opening, whether through a mail delay or otherwise, such bids will not be considered and will be returned unopened. The Bid Office hours are Monday through Friday from 8:00 am to 4:30 pm Chicago time, except holidays.

6. WITHDRAWAL OF BIDS:

Bidders may withdraw their bids at any time prior to the date and hour specified in the advertisement for the receipt of bids. However, no bidder shall withdraw or cancel his bid for a period of ninety (90) calendar days after the advertised date and hour for the receipt of bids.

7. RESPONSIBILITY OF BIDDER:

The Authority reserves the right to refuse to accept any bid from any person, firm or corporation that is, or an affiliate is, in arrears or is in default to the Chicago Transit Authority upon any debt or contract, or that is a defaulter, as surety or otherwise, upon any obligations to the Authority, or had failed to perform faithfully any previous contract with the Authority.

The bidder, if requested, must present within two (2) business days, evidence satisfactory to the Procurement Administrator, of performance ability and possession of necessary facilities, pecuniary resources and adequate insurance to comply with the terms of these specifications and Contract Documents.

8. CONSIDERATION OF BIDS:

The Authority reserves the right to extend the bid opening date and to reject any or all bids or any part thereof. The Authority further reserves the right to excuse informalities in the bids and bidding when, in the judgment of the Authority, the best interests of the Authority will be served and the spirit of competition will be maintained. If only one(1) bid is received, a cost or price analysis and evaluation and/or audit shall be performed of the single bidder's cost breakdown in order to determine if pricing is fair and reasonable.

9. ORDER OF PRECEDENCE OF BEST PRICE:

In determining the best price, the Authority reserves the right to consider the bids in the following order of precedence:

- A. Firm fixed price or charge;
- B. Base price or charge plus/minus escalation specified in Special Conditions, if any;
- C. Base price or charge plus/minus maximum percent or dollar escalation.

10. NEGOTIATED CONTRACTS:

The Authority reserves the right to reject all bids received, and may, but is not required to, negotiate a contract with any responsible bidder(s), if the bids received are at unreasonable prices but otherwise acceptable, or for other reasons determined to be clearly in the public's best interest and in accordance with established guidelines.

In the event that negotiations are conducted, the Authority or its duly authorized representative shall have the right to examine and audit books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all costs claimed to have been incurred or anticipated in performing the Contract. The Contractor agrees to include in first-tier subcontracts (or other subcontracts where a substantial portion of the work is being performed) a clause to the effect that the Authority or duly authorized representatives have access to and the right to examine any of the Subcontractor's directly pertinent books, documents, papers, or other records involving transactions related to the subcontract.

11. ACCEPTANCE OF BIDS:

The Authority will accept in writing one or more of the bids or reject all bids within ninety (90) calendar days from the date of opening the bids, unless the lowest responsible bidder, upon request of the Procurement Administrator, extend the time of acceptance.

The Contract shall not be in force and effect until it has been executed by the Authority's signatory duly authorized by the Authority's regulations, bylaws, and procedures.

12. PERFORMANCE-PAYMENT BOND AND INSURANCE:

When required by the Contract Documents, the successful bidder or bidders shall, within ten (10) business days after acceptance of the bid by the Authority, furnish any applicable performance or payment bonds in the full amount of the Contract on an approved American Institute of Architects (A.I.A.) bond form and/or furnish and keep in force, during the life of the Contract, any and all insurance in amounts designated, as provided in the Insurance Requirements, form CTA 415.27 (Revised) attached hereto, with insurance companies acceptable to the Chicago Transit Authority. Any insurance company with less than a (B+) policyholder rating by Alfred M. Best Co. will not be acceptable to the Chicago Transit Authority.

13. FAILURE TO FURNISH BOND OR INSURANCE:

In the event that the bidder fails to furnish the performance-payment bond and/or insurance requirements in said period of ten (10) business days after acceptance of the bid, then, the bid deposit of the bidder may be retained by the Authority. The bid deposit may be used as liquidated damages, not as a penalty, to partially cover costs and losses by the Authority.

14. INTERPRETATION OF CONTRACT DOCUMENTS:

If any person contemplating submitting a bid is in doubt as to the meaning of any part of the Contract Documents, written request for an interpretation thereof may be submitted to the Procurement Administrator. The person submitting the request will be responsible for its prompt delivery. Any change or interpretation of the proposed documents will be made only by Addendum duly issued by the Procurement Administrator. Addendums shall be posted on www.transitchicago.com, and the Procurement Administrator will use good faith efforts to notify by email, or by mail if requested in writing, each person who has registered on www.transitchicago.com to receive the Contract Documents, or otherwise was provided the Contract Documents by the Authority, of such Addendum. Failure on the part of the prospective bidder to receive a written interpretation prior to the time of the opening of bids will not be grounds for withdrawal of bid. Oral explanation will not be binding. **Bidder must acknowledge receipt of each addendum issued in space provided on the signature page of Bid Documents.**

15. CATALOGS:

Subsequent to bid opening, when requested by the Procurement Administrator, each bidder shall submit in **DUPLICATE**, catalogs, descriptive literature, and detailed drawings, fully detailing features, designs, construction, appointments, and finishes, necessary to fully describe the material or work he proposes to furnish. This information will be furnished to the Authority within ten (10) calendar days from date of request. Failure to furnish this information may result in the disqualification of the Bid.

16. TRADE NAMES:

In cases where an item is identified by a manufacturer's name, trade name, catalog number, or reference, it is understood that the bidder proposes to furnish the item so identified and does not propose to furnish an "equal" unless the proposed "equal" is definitely indicated by the bid.

The reference to the manufacturer's name, trade name, catalog number, or reference, is intended to be descriptive but not restrictive and only to indicate to the prospective bidder articles that will be satisfactory. Bids on other makes and catalogs will be considered, provided each bidder clearly states on the face of his bid exactly what he proposes to furnish, or forwards with the bid, a cut, illustration, or other descriptive matter which will clearly indicate the character of the article covered by his bid.

The Procurement Administrator, hereby reserves the right to approve an "equal" or to reject as not being an "equal," any article the bidder proposes to furnish which contains variations from specification requirements.

17. RETURN OF BID DEPOSIT:

The bid deposit of all bidders, except the two apparent lowest bidders on each contract, will be returned within ten (10) calendar days after the opening of bids. The bid deposit of the two (2) apparent lowest bidders will be returned after the bid has been accepted by the Authority including the acceptance by the Authority of satisfactory performance-payment bond and/or insurance where such bond or insurance are required.

Within ten (10) calendar days after the date of opening of bids a bidder may request that a bid bond be substituted for the bid deposit. The Procurement Administrator may allow substitution of a bid deposit upon application in writing thereof, and submittal of a bid bond in an amount equal to the bid deposit. Any bid bond submitted must reference the specific CTA inquiry number and have an Alfred M. Best Company "B+" Policyholders Rating and an "X" Financial Rating.

The period of the bond must be for not less than ninety (90) calendar days from the date of bid opening.

18. TAXES:

Federal Excise Tax does not apply to materials purchased by the Chicago Transit Authority by virtue of Exemption Certificate No. 36-73-0234K. Illinois Retailers' Occupation Tax, Use Tax, and Municipal Retailers' Occupational Tax does not apply to materials or services purchased by the Authority by virtue of Illinois Compiled Statutes 70 ILCS 3605/33. These taxes shall not be included in any of the prices quoted herein. Illinois Tax Exemption Identification number is E9978-2987-06. The prices quoted herein shall agree with all Federal Laws and Regulations.

19. VENDOR REGISTRATION:

Prior to doing business with the Authority, the Authority requests that all vendors register their company via the Authority's web based Business Diversity Management system. Please visit the following link to register your company with the Authority: <https://cta.dbesystem.com/>. Please note that upon contract award, registration on the Authority's Business Diversity Management system will be required.

20. FREEDOM OF INFORMATION ACT NOTICE:

The Authority is subject to the requirements of the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq. ("FOIA"), which enables the public to request and obtain records from the Authority. FOIA requires, upon request, the public disclosure of any non-exempt information in bid materials, contracts, invoices and payment records (among other records). See Section 7 and 7.5 of FOIA, 5 ILCS 140/7 and 7.5, for a complete list of the exemptions available under FOIA.

Bid materials become the property of the Authority when submitted and cannot be returned. Because the sealed bid materials submitted to the Authority in connection with this procurement will be opened at a public bid opening, all contents of the bid materials will be publicly viewable at the bid opening. All bid materials and any subsequent contract (including any later amendments thereto) will be subject to public disclosure under FOIA upon request, without any further notice to you, after the successful bidder and the Authority have executed a written contract. The Authority may also publish the content of the bid materials and any subsequent contract in connection with this procurement, in whole or in part, on its website or in any other format without any further notice to you.

If you have any questions regarding the FOIA process at the Authority, please contact the Authority's Freedom of Information Officer at (312) 681-2809 or via e-mail at FOIA@transitchicago.com.

21. BID PROTEST PROCEDURES:

Any protest regarding this solicitation, or an evaluation or award hereunder, must be submitted in accordance with the Authority's bid protest procedures, available at: <http://www.transitchicago.com/asset.aspx?AssetId=5857>.

22. ELECTRONIC FUND TRANSFER:

CTA has adopted Electronic Funds Transfer (EFT) as the preferred method of payment for vendor invoices. An EFT enrollment form will be provided to the successful bidder with the executed contract and must be completed to enable payment of vendor accounts by this method. If awarded a contract, provide the completed EFT form to the CTA Purchasing Administrator identified on the title page.

CONTRACT FOR SUPPLIES GENERAL CONDITIONS

1. DEFINITIONS AND INTERPRETATION:

Unless otherwise defined herein, words, terms and phrases shall have the meanings ascribed in the Requirements for Bidding and Instructions to Bidders, and the rules for contractual interpretation therein shall apply.

2. DELIVERY:

Unless otherwise specified in the Special Conditions, all materials shipped to the Authority must be shipped F.O.B. destination location. If prior delivery notification is specified, arrangements must be made by the vendor with the Authority's designated receiving location at least twenty-four (24) hours in advance to arrange for receipt of the materials. The material must then be delivered where directed and as agreed upon.

Unless otherwise specified or agreed upon, truck deliveries to 567 W. Lake Street, Chicago, IL 60661-1465 shall be made between 8:00 A.M. and 4:00 P.M. on weekdays, and to other locations between 7:00 A.M. and 3:00 P.M. on weekdays. No deliveries will be accepted on Saturdays, Sundays or Holidays.

The quantity of material delivered by truck shall be ascertained from a weight certificate issued by a duly licensed Chicago Public Weigh-Master upon request. In the case of delivery by rail, weight will be ascertained from bill-of-lading from originating line, but the Authority reserves the right to re-weigh at the nearest available railroad scale.

To the extent that any federal funds are utilized in this Contract, whenever shipping any equipment, materials, or commodities pursuant to this Contract, the Contractor shall utilize privately-owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved to the extent that such vessels are available at fair and reasonable rates. The Contractor shall furnish a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in this paragraph to the Authority and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington, D.C., 20590, marked with appropriate identification of the project. The Contractor shall furnish this bill-of-lading within twenty (20) business days following the date of loading for shipments originating within the United States, or within thirty (30) business days following the date of loading for shipments originating outside the United States.

3. DEMURRAGE AND RE-SPOTTING:

The Authority will be responsible for demurrage charges only when such charges accrue because of the Authority's failure to unload the material after it has been determined that the material is in compliance with the Contract Documents. The Authority will pay railroad charges due to the re-spotting of cars only when such re-spotting is ordered by the Authority.

4. MATERIALS INSPECTION AND RESPONSIBILITY:

The Contact Person shall have the right to inspect any materials to be used in carrying out this Contract. The Authority does not assume any responsibility for the availability of any controlled materials or other materials and equipment required under this Contract. All materials and equipment furnished under this Contract shall be new, unless otherwise specifically stated. The Contractor shall be responsible for the contracted quality and standards of all materials, components or completed work furnished under this Contract. Materials, components or completed work not complying therewith may be rejected by the Contact Person and shall be replaced by the Contractor at no cost to the Authority. Any materials or components rejected shall be removed within a reasonable time from the premises of the Authority, at the Contractor's sole expense, after written notice has been mailed by the Authority to the Contractor that such materials or components have been rejected.

5. TITLE AND RISK OF LOSS:

Legal title to the materials or other goods for which the Authority acquires title under the Contract shall pass to the Authority upon the soonest of (i) payment by the Authority, and (ii) delivery to the destination location. Contractor warrants and guarantees that legal title shall pass to the Authority free and clear of any and all encumbrances, security interests or liens. Contractor retains risk of loss until acceptance by the Authority.

6. PAYMENT:

Payment to Contractor shall be as specified in Special Conditions of this Contract. The Authority retains the right to set off payments due under this Contract against any payments due or to become due under any other contract that the Contractor or any affiliate thereof may have with the Authority.

In the event that this Contract includes an escalation provision, the Contractor must provide evidence satisfactory to the Authority which justifies any and all price or charge increases / decreases provided under the escalation provision on or prior to the first invoice which reflects the new price or charge.

7. CASH BILLING DISCOUNT:

Cash billing or percentage discount for payment of invoices within a specified period of time will not be considered by the Authority in evaluating bids. When determining if it has earned a cash billing discount offered by the Contractor, the Authority will consider the period from the date of the invoice plus two business days for mailing or the date of receipt of the goods or services, whichever is later, to the date the check is mailed in payment of the invoice. If a discount period ends on a Saturday, Sunday or legal holiday, the discount periods will be extended to the next succeeding workday.

8. INVOICES:

Invoices must be sent to the Chicago Transit Authority, Accounts Payable, 567 W. Lake Street, Chicago, IL 60661-1465. Invoices must bear the order number and, if an annual contract, release number as issued. Invoices must not cover more than one order or release number.

9. PRICE REDUCTION:

If the Contractor to whom a contract has been awarded makes a general price reduction effective on or after the date of its bid in the comparable price of any material covered by this Contract to customers generally, an equivalent price reduction based on similar quantities and/or considerations shall apply to this Contract for the duration of the term (or until the price is further reduced). Such price reductions shall be effective at the same time and in the same manner as the reduction in the price to customers generally. For the purpose of this provision, a "general price reduction" shall mean any horizontal reduction in the price of an article or service offered—(1) to Contractor's customers generally, or (2) in the Contractor's price schedule for the class of customers, i.e., wholesalers, jobbers, retailers, etc., which was used as the basis for bidding on this Contract. An occasional sale at a lower price, or sale of distressed merchandise at a lower price, would not be considered a "general price reduction" under this provision. The Contractor shall invoice the Authority as such reduced prices, indicating on the invoice that the reduction is pursuant to the "Price Reduction" provision of the Contract Documents. The Contractor, in addition, shall within ten (10) calendar days of any general price reduction notify the Procurement Administrator of such reduction by letter. Failure to do so may result in termination of this Contract, without prejudice to any other remedies of the Authority.

The Contractor, when required by the Procurement Administrator within ten (10) calendar days after the end of the term, shall furnish a statement certifying either—(1) that no general price reduction, as defined herein, was made after the date of the bid or offer, or (2) if any such general price reductions were made, that, as provided herein, they were reported to the Procurement Administrator within ten (10) calendar days, and the Authority was billed at the reduced prices. Where one or more such general price reductions were made, the statement furnished by the Contractor shall include, with respect to each price reduction: (1) the date when notice of any such reduction was issued, (2) the effective date of the reduction, and (3) the date when the Procurement Administrator was notified of any such reduction.

10. PROMPT PAYMENT TO SUBCONTRACTORS:

The Contractor is required to pay all Subcontractors for all work that the Subcontractor has satisfactorily completed, no later than fourteen (14) calendar days after the Contractor has received payment from the Authority. In addition, any retainage amounts must be paid by the Contractor to the Subcontractor no later than fourteen (14) calendar days after the Subcontractor has, in the opinion of the Contact Person, satisfactorily completed its portion of the work. The requirements of this paragraph must be stated in all of the Contractor's subcontracts.

A delay in or postponement of payment to a Subcontractor requires good cause and prior written approval of the General Manager, Purchasing. The Contractor is required to include, in each subcontract, a clause requiring the use of appropriate arbitration mechanisms to resolve all payment disputes.

The Authority will not pay the Contractor for work performed unless and until the Contractor ensures that Subcontractors have been promptly paid for the work they have performed under all previous payment requests, as evidenced by the filing with Authority of lien waivers (if applicable), canceled checks (if requested), and the Contractor's sworn statement that it has complied with the prompt payment requirements. The Contractor must submit a prompt payment affidavit, (form to be provided by the Authority) which identifies each Subcontractor (both DBE and non-DBE) and the date and amount of the last payment to such Subcontractor, with every payment request filed with Authority, except for the first payment request.

Failure to comply with these prompt payment requirements is a breach of the Contract which may lead to any remedies permitted under law, including, but not limited to, Contractor debarment. In addition, Contractor's failure to promptly pay its Subcontractors is subject to the provisions of 50 ILCS 505/9.

11. GUARANTEES AND WARRANTIES:

All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Procurement Administrator before final payment on the contract is issued.

12. INDEMNIFICATION:

The Contractor agrees to protect, defend, indemnify, and hold the Authority, its Board members, officers, officials, representatives, and employees (hereafter "the Indemnified Parties"), free and harmless from and against any and all claims, damages, demands, fines, penalties, or losses, including damages for personal or bodily injury or death, in consequence of the granting of this Contract or arising out of or being in any way connected with the Contractor's performance under this Contract (collectively, "Losses"), except to the extent that the Loss is found by a court of competent jurisdiction to be solely caused by the negligence or willful misconduct of the Indemnified Party. The indemnity provided herein will be effective to the maximum extent permitted by applicable law and extends to all legal costs, including reasonable attorney fees, incurred in defense of a Loss. This indemnity is not limited by any amount of insurance required under this Contract, and, to the extent permissible by law, Contractor waives any statutory limits on its obligations to indemnify the Indemnified Parties. Upon tender by the Authority, the Contractor shall be solely responsible for the defense of any and all claims, demands, or suits against an Indemnified Party related to any Loss (including without limitation claims by Contractor's employees, subcontractors, agents, or servants) even though the claimant may allege negligence or willful misconduct by the Indemnified Party. The Authority will have the right, at its sole option, to participate in the defense of any such claim, demand or suit, without relieving the Contractor of its obligations hereunder. The Contractor will promptly provide, or cause to be provided, to the Authority's General Counsel, copies of such notices as Contractor may receive in respect of any Losses. The indemnity contained in this section will survive the expiration or termination of this Contract.

13. TERMINATION FOR CONVENIENCE:

The Authority may terminate this Contract, in whole or in part, without cause and at any time, by written notice to the Contractor from either the General Manager, Purchasing or Vice President, Purchasing & Supply Chain, whenever the Authority determines that such termination is in the best interest of the Authority. The notice will specify the extent to which the Contract is being terminated, the effective date of termination, and the disposition of any deliverables or other property to be provided under the Contract that may be in progress and still in the Contractor's possession or control at the time of termination. Upon receipt of written notice of