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Dr. Catherine Chang, Business Manager • cchang@d107.org

DATE:

June 9, 2016

TO:

Board of Education

FROM:

Catherine Chang

RE:

Cleaning Service Renewal - 2016/17

GCA Services Group has provided the district with cleaning services since 1998. I would like to recommend the continued contract extension for the 2016/17 school year. GCA has agreed to a 0.7% increase.

The current cost of GCA is \$207,021.82. With the 0.7% increase, the new contract figure would be \$208,471.

SECOND AMENDMENT TO SERVICES AGREEMENT

THIS SECOND AMENDMENT TO SERVICES AGREEMENT (the "Second Amendment"), effective as of July 01, 2016, is made by and between PLEASANTDALE SCHOOL DISTRICT #107, ("Customer") and GCA EDUCATION SERVICES, INC. ("GCA"), a Tennessee corporation. Capitalized terms used and not specifically defined in this Second Amendment shall have the meaning ascribed in the Agreement (as defined herein below).

RECITALS:

- A. WHEREAS, the parties have entered into that certain Service Agreement dated April 13, 1998, (referred to herein as the "Agreement"), whereby Customer retained GCA to perform various janitorial services as specified in the Agreement; and
- B. WHEREAS, the Parties executed a First Amendment on July 01, 2015 which expires on June 30, 2016; and
- C. WHEREAS, the Parties desire to add language to the Agreement to address changes in taxes, minimum wage rates or other employee costs including government mandated healthcare; and
- D. WHEREAS, the Customer also desires to exercise its option for a Renewal Term under the Agreement for July 01, 2016 through June 30, 2017 in accordance with the Agreement, as amended by this Second Amendment, and
- E. WHEREAS, the parties agree this Amendment will take effect July 01, 2016.

NOW, THEREFORE, for and in consideration of the mutual promises and undertakings herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. <u>Term.</u> In accordance with Section B, Contract Period, of the Agreement, this Second Amendment further serves as the Customers written approval to exercise its option for a Renewal Term of the Contract. The section entitled "Term" of this Second Amendment shall commence as of July 01, 2016 and terminate June 30, 2017 (the "Term"), unless sooner terminated as provided in the Agreement. The Second Amendment may then be renewed with the terms of the Agreement.
- 2. <u>Specifications.</u> This Second Amendment will be pursuant to the services to be provided in accordance with the Cleaning Specifications and Custodial Frequencies of the Agreement dated April 13, 1998, a copy which is attached.
- 3. <u>Pricing.</u> The Parties agree that the annual contract price will be Two Hundred Eight Thousand Four Hundred Seventy One Dollars 00/100 (\$208,471.00) for the 2016-17 year of the Renewal Term, payable in twelve (12) monthly installments during the Renewal Term.

- 4. Changes in Taxes, Minimum Wage Rate or Other Employee Costs. In the event of a change in social security taxes or the Federal or State unemployment taxes, or the imposition of new Federal, State or local payroll taxes or government mandated healthcare costs applicable to any of GCA's employees, the Contract Price shall be changed by the actual change in costs to GCA. In the event of a change in the Federal, State or local minimum wage rates applicable to any of GCA's employees, the labor cost portion of the Contract Price shall be changed by the percentage increase in the minimum wage rates. Any such changes shall be effective from the date such cost changes went into effect.
- 5. **Employee Health Insurance.** The Parties agree should the contractor be obligated to increase contributions for employee health insurance for employees employed at the Customer's location by virtue of a change in law during the term of this agreement, the amount payable to contractor under this agreement shall be increased by an amount equal to contractor's increased costs for such employee health insurance. The Customer agrees the Contractor may bill the Customer for such actual costs.
- 6. Ratification. Except as and to the extent amended, altered, and/or modified as provided in this Second Amendment, all terms, covenants, conditions and provisions of the Agreement are hereby ratified and reaffirmed, and shall remain in full force and effect.
- 7. <u>No Default</u>. Customer and GCA hereby acknowledge and agree that, as of the date of this Second Amendment, neither party is in default or otherwise in breach of the Agreement, and to their best knowledge no facts exist which, with the passage of time, the giving of notice, or both, could become a default or breach of the Agreement.
- 8. <u>Counterparts</u>. This Second Amendment may be executed in one or more counterparts, and exchanged via facsimile or other electronic transmission, each of which shall for all purposes be deemed to be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year Second above written.

PLEASANTDALE SCHOOL DISTRICT #107 GCA EDUCATION SERVICES, INC.

By:	By:	
Name:	Name:	
Title:	Title:	
Date:	Date:	