



NOTICE TO PROPOSERS

NOTICE IS HEREBY GIVEN THAT THE CHAMPAIGN-URBANA MASS TRANSIT DISTRICT (MTD) will be receiving proposals in accordance with Request For Proposals #2025-007 for the provision of leasing services for the period February 1, 2026 to January 31, 2028, until 2:00 PM (CST), January 5, 2026.

Proposals should be submitted electronically to procurement@mtd.org. Any proposals received after the time and date noted herein will not be considered for award. MTD reserves the right to accept any or any part or parts thereof or to reject any and all proposals.

Any contract resulting from these proposals is subject to financial assistance contracts between MTD and the Illinois Department of Transportation (IDOT).

The full RFP document may be obtained by contacting Victoria Carrington at procurement@mtd.org or (217) 384-8188.



Date: Monday, December 29, 2025

To: Prospective Proposers

From: Champaign-Urbana Mass Transit District (MTD)

Subject: Request for Proposals #2025-007: Leasing Services - Addendum #1

Addendum #1 becomes part of solicitation documents and modifies the original RFP.

RESPONSES TO WRITTEN QUESTIONS/CLARIFICATIONS RECEIVED

Addendum #1 provides responses to the written questions/clarifications submitted by prospective proposers.

Q1. Page 12, Section 2.3 Lease Terms: Will MTD be willing to delete from the last point “or if MTD determines that termination is in its best interest”?

A1. MTD has modified the language of Section 2.3, which is provided herein. However, MTD is required to include termination-for-convenience language in Section 2.3, as this language is necessary to ensure the lease complies with FTA and IDOT requirements and is treated as an operating lease rather than a capital lease. If the modified language is not sufficient, proposers may propose alternative termination language that preserves MTD’s ability to terminate the lease for convenience and for loss of funding, provided such language clearly demonstrates compliance with applicable FTA and IDOT regulations and does not result in the lease being classified as a capital lease. Any proposed alternative termination language shall be submitted using Form C within the proposal and will be reviewed by MTD for acceptability.

Q2. Page 23, Section 3.21 Termination, sub-section 3.21.1 For Convenience: Will MTD be willing to delete this entire sub-section? If not, please define “contract close-out costs.”

A2. As the contract resulting from this solicitation is funded by IDOT, this clause is required by IDOT and must be included in the contract. MTD has modified the language of Section 3.21.1, which is provided herein. If modified language is not sufficient, proposers may propose alternative language. Any proposed alternative language shall be submitted using Form C within the proposal and will be reviewed by MTD for acceptability.



Q3. Has MTD ever canceled a lease prior to its original termination date using similar language as stated in Sections 2.3 and 3.21? If yes, please outline the parameters of the termination(s).

A3. No, MTD has never cancelled or terminated a lease.

SCHEDULE OF EVENTS & TIMELINES

Addendum #1 modifies Section 1.3 of the Introduction, extending the Anticipated Contract Award Date/Time. Changes to affected portions of the RFP are shown in red below:

1.3 Schedule of Events & Timeline

The schedule of procurement events and the anticipated timeline are as follows:

Event	Date/Time
RFP Release	Monday, December 1, 2025
Written Questions & Clarifications Due	Friday, December 19, 2025 @ 2:00 PM (CST)
Responses to Written Questions Release	Monday, December 29, 2025
Proposals Due Electronically	Monday, January 5, 2026 @ 2:00 PM (CST)
Anticipated Contract Award	Wednesday, January 28, 2026 @ 3:00 PM (CST) Wednesday, February 25, 2026 @ 3:00 PM (CST)

1.3.3 CONTRACT AWARD

MTD intends to award a single contract for equipment leasing services; however, MTD reserves the right to make multiple awards if deemed in its best interest. The contract resulting from this solicitation will not guarantee any minimum or maximum volume of equipment to be leased. All leasing decisions and requests for equipment will be made solely at MTD's discretion.

Upon selection, MTD will issue a Notice of Award and provide the selected proposer with a draft contract for review. The selected proposer must either approve the draft contract or submit any proposed revisions to procurement@mtd.org within three (3) business days of receipt. If no revisions are submitted within that timeframe, MTD will consider the contract draft accepted and proceed with requesting approval of contract award from MTD's Board of Trustees at the ~~Wednesday, January 28, 2026~~ **Wednesday, February 25, 2026**, board meeting.

The selected proposer must then submit the required certificate of insurance (COI) and execute the contract within ten (10) business days following approval by MTD's Board of Trustees. The contract resulting from this solicitation will have a term of two (2) years, beginning on ~~February 1, 2026, and ending on January 31, 2028~~ **March 1, 2026, and ending on February 29, 2028**.



SCOPE OF WORK

Addendum #1 modifies Section 2.3 of the Scope of Work, providing alternative language regarding lease terms. Changes to affected portions of the RFP are shown in red below:

2.3 Lease Terms

The selected proposer shall provide leasing terms which fully comply with FTA and IDOT regulations for operating leases. At a minimum, lease terms shall comply with the following requirements:

- Each lease shall be for a fixed term of thirty-six (36) months, with no shorter or longer base term unless otherwise authorized in writing by MTD;
- Lease agreements shall not include a lease-to-own arrangement or language indicating such;
- Lease agreements shall not contain any provision that transfers ownership of the equipment to MTD at the end of the lease term;
- Lease agreements shall not include any bargain purchase option or similar provision that would result in automatic transfer of title or allow MTD to acquire the asset for less than its fair market value at the end of the term;
- Lease agreements shall include multiple end-of-term options such as returning the equipment to the lessor, renewing or extending the lease, or the option to purchase the equipment at its fair market value, to ensure compliance with applicable federal and state regulations; and
- Lease agreements shall include a termination clause that allows MTD to cancel the lease, **upon written notice**, in whole or in part, without penalty if federal or state funding becomes unavailable or ~~if MTD determines that termination is in its best interest for~~ **convenience, including but not limited to operational, regulatory, programmatic, or fiscal reasons, provided that any termination payments are limited to amounts permissible under applicable FTA and IDOT regulations and do not result in the lease being classified as a capital lease.**

TERMS & CONDITIONS

Addendum #1 modifies Section 3.21.1 of the Terms & Conditions, providing additional language regarding Termination For Convenience. Changes to affected portions of the RFP are shown in red below:



3.21 Termination

3.21.1 FOR CONVENIENCE

MTD may terminate the contract resulting from this solicitation for convenience, in whole or in part, at any time by the provision of written notice to the selected proposer. The selected proposer shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The selected proposer shall promptly submit its termination claim to be paid by MTD. If the selected proposer has any property in its possession belonging to MTD, the selected proposer will account for the same and dispose of it in the manner MTD directs.

Termination-for-convenience may apply to the overall leasing services contract, individual leases, or both. Individual leases are generally intended to remain in effect even if the overall contract is terminated. However, if the contract and/or one or more individual leases are terminated by MTD for convenience, contract close-out costs for the terminated leases will be calculated in accordance with the definition provided this revised Section 3.21.1 of Addendum #1 and must comply with applicable FTA and IDOT regulations, be reasonable and allocable, and be supported by appropriate documentation.

Contract close-out costs can be defined as the reasonable, direct, and allocable costs incurred by the lessor as a result of MTD terminating the contract or individual leases for convenience. Contract close-out costs may include, but are not limited to:

- **Administrative & documentation costs**
 - Preparing & submitting a termination claim to MTD
 - Updating internal records & accounting for leased equipment
 - Staff time required to manage the early termination process
- **Equipment handling & logistics**
 - Shipping, freight, or delivery costs if equipment must be returned or relocated
 - Storage or warehousing costs for equipment if immediate transfer or disposition is not possible
 - Costs to inspect, refurbish, or otherwise prepare equipment for return, resale, or redeployment
- **Settling subcontracts or third-party agreements**
 - Terminating or amending contracts for installation, maintenance, support, or other services tied to the lease
 - Payment of any fees or penalties required by subcontract agreements directly related to the contract close-out
- **Contract-specific obligations**
 - Costs to restore leased equipment to the condition required under the lease agreement



- Disposing of any MTD-owned property or components that were installed or provided as part of the leased equipment

Contract close-out costs do not include future revenue or profit from the remainder of the lease term, opportunity costs or anticipated earnings on equipment not yet leased, or any unrelated administrative or overhead costs not directly caused by the lease termination. All contract close-out costs must comply with applicable FTA and IDOT regulations, be limited to costs that are allowable, allocable, and reasonable under those regulations, and be supported by adequate documentation demonstrating the costs incurred.