MEMORANDUM

FROM: George Marquisos, Chicago Infrastructure Trust
DATE: December 14, 2016

RE: Chicago Smart Lighting Project
   Further Clarification of Allowable Alternative Contractual Structures; Pertaining to Ownership of Lighting Management System

Chicago Smart Lighting RFP Clarifications dated December 9, 2016

Response to Question #5 states the following:

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| 5 | General | Exceptions and deviations from the terms and conditions included in the contract template, provided in RFP (Volume II), will not, in and of themselves, deem a Proposal non-responsive. Such exceptions and deviations must be clearly and completely articulated in any Proposal response requiring such exceptions. All Proposals should be responsive to the core elements and requirements of the RFP. Every Proposal, that includes all the required content, will be considered and evaluated pursuant to the guidelines set forth in RFP Volume I: Instructions to Proposers (ITP). As noted in Section 6.1.4 of the ITP, exceptions taken by the Proposer in its Proposal will be an evaluation consideration. Any Proposal that (i) contemplates the privatization of existing City or Parks lighting infrastructure (poles or wiring) or (ii) that does not provide the City or Parks ownership of the new LED luminaires and Lighting Management System will be considered "Non-Responsive"
|   | Would the RFP permit Proposers to propose providing the smart street lighting service pursuant to [an alternative contractual structure]? | The final portion of the response to question #5 states:

Any Proposal that (i) contemplates the privatization of existing City or Parks lighting infrastructure (poles or wiring) or (ii) that does not provide the City or Parks ownership of the new LED luminaires and Lighting Management System will be considered "Non-Responsive"

Ownership of the Lighting Management System (LMS) does not include the central management system software. As per RFP ITP Section 2.2.2 the City intends to have the LMS software hosted by the Proposer and delivered as Software as a Service (SaaS).