



CITY OF HOUSTON

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Subject: Letter of Clarification No.3 to Invitation to Bid No. S50- L24020 for On-Site Water Treatment, Sludge Removal and Disposal Services for the Public Works and Engineering Department

To: All Prospective Bidders:

This letter of Clarification is being issued for the following reasons:

- **To provide responses to questions posed by prospective bidders:**

The following questions and City of Houston responses are hereby incorporated and made a part of the Invitation to Bid:

Question No. 1 We would like to request a (3) year history/record of Repair and Maintenance spending by item listed in Section BB Equipment Asset Checklist.

Answer: The City has provided all applicable information from its Work Management System pertaining to the equipment identified above and provided in an electronic PDF format. (*See the Repair & Maintenance Expenditure report posted on-line*)
(<http://purchasing.houstontx.gov/buyer/BidDocumentManager.aspx?id=L24020>)

Question No. 2 Please confirm \$3,000 repair threshold on equipment repair expenditure. Is the City paying for entire repair or only amount after initial \$3,000 spend?

Answer: The City will pay the entire cost if the single repair/part exceeds \$3,000.

Examples of single repairs/parts that are less than \$3,000 would be changing out belts (~\$1,000), scraper blades (~\$100), LMI pumps (~\$1,500), and E-Stop kill switches (~\$1,500). If all of these items fail simultaneously, it does not change the Contractor's financial obligation. While the cumulative repair cost of these items is ~\$4,100, the Contractor shall repair each of these individual items, regardless that they coincidentally occurred during the same event.

Please note Section 3.6.a of the bid document, which states "*Any single repair or replacement that is less than \$3,000 (i.e. cost of part or parts only) shall be paid for by the Contractor. All labor, supervision, consumables, equipment, tools etc, required to perform this repair shall be paid for by the Contractor.*"

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When determining who pays for the repair, the labor, supervision, consumables, equipment, tools, etc. are not included in the repair assessment, only the cost of the part/parts. For example, if a belt breaks, and the replacement cost of the belt is \$1,000, and the labor to install the belt is \$2,500, then the cost of the work shall be paid entirely by the Contractor, because the part itself (excluding labor supervision, consumables, equipment, tolls etc) is less than \$3,000.

Question No. 3 Please clarify how to price additional services. Is it cost additional dollars? We would like a bid item listing for each additional services item.

Answer: The City cannot provide a bid item listing for each of the possible expenditures because it would be too numerous.

Simply, the City is requesting that the Contractor provide an overall mark-up for the work performed for these additional services beyond the raw costs incurred to perform the work. *(See Bid Group No. 2, Bid Line Item No. 2, per Bid Year)*

For example, assume that ABC Services was awarded the COH NEWPP Dewatering Contract and their bid included a 10% mark-up for all three additional service categories. Several months into the Contract, ABC Services is asked to provide costs to perform sludge removal from a sedimentation basin that has the following cost components:

In-House Labor: \$10,000
Materials: \$10,000
Equipment: \$5,000
Sub-Contract Labor: \$5,000

Total Cost to the Contractor: \$30,000

At this point, the Contractor shall mark-up his raw costs per the number provided in the bid document. In this example, the Contractor's mark-up is 10%.

Total Mark-up: 10%

Total Cost to the City = \$33,000

Keep in mind that the City has the right to fully audit all raw costs to the Contractor, which includes, but is not limited to original invoices for equipment and materials, reviewing raw salaries to confirm mark-up for in-house labor and subcontractor labor, etc.

Question No. 4 Is there a Bid Tabulation available for the current contract and emergency services that are in place?

Answer: Yes. *(See the previous tabulation posted on-line)*
(<http://purchasing.houstontx.gov/buyer/BidDocumentManager.aspx?id=L24020>)

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Question No. 5 What are the expected hours of operation for the contractor?

Answer: The expected hours of operation shall be determined by the Contractor's ability to meet the operational specifications described in the scope of work.

Question No. 6 Can the City of Houston supply additional detail on equipment in Section BB (Model #'s, Year Installed, Diagrams or Pictures, etc)?

Answer: O&M manuals (i.e. diagrams and pictures) and supporting data are available at the plant and will be provided to the successful Contractor. This will include model numbers, installation dates, and other pertinent information. Most equipment was installed between 2003 and 2005, when the plant was constructed.

Question No. 7 Are we responsible for utilities onsite at the project?

Answer: No.

Question No. 8 Are we responsible for structural repairs to operators office / lab / storage building?

Answer: The Contractor is responsible for maintaining the building and keeping it in good working condition.

Note: No further questions will be accepted after the publication of this Letter of Clarification.

When issued, Letter(s) of Clarification shall automatically become a part of the bid documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. It is the responsibility of the bidders to ensure that it has obtained all such letter(s). By submitting a bid on this project, bidders shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this solicitation.

Furthermore, it is the responsibility of each Contractor to obtain any previous Letter of Clarification associated with this solicitation.

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