



CITY OF HOUSTON

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October 18, 2012

Subject: Letter of Clarification No. 2 to Invitation to Bid No. S50-L24387 for Submersible Pump Repair Services for the Public Works and Engineering Department

To: All Prospective Bidders:

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

- **To revise SECTION "B", Scope of Work/Technical Specifications, revise the electronic bid form and respond to questions posed by perspective bidders:**
- 1.) Remove pages 4, 9, 16 & 18 of 64 and replace with the attached revised pages 4, 9, 16 & 18 of 64 marked, REVISED 10/10/2012.
 - 2.) The electronic bid form has been revised, specifically Bid Group Nos., 3, 4, 5, 8, 9, 10, 13, 14, 15, 18, 19 & 20 for all five years. Therefore, bidders are hereby requested to thoroughly review the current electronic form prior to submitting their bid.
 - 3.) The following questions and City of Houston responses are hereby incorporated and made a part of the Invitation to Bid:

Question No. 1 Rewind costs: Due to wildly fluctuating copper prices we believe the price of rewinding a motor should be cost plus. At the very least, copper be considered a part and subject to cost plus.

Answer: No. Bidders shall price these items taking into consideration the fluctuations of material prices.

Question No. 2 15% on parts and 5% on new units: We feel the City setting our profit margin provides little incentive and renders the contract uncompetitive. If we sold pumps at 5% above cost we would not be in business. These terms need to be removed so the City gets the best competitive pricing for the services rendered by the contractor.

Answer: The electronic bid form has been revised accordingly, Parts & Materials (Original Invoice) Mark-up Not To Exceed 15%, Other Services, Mark-up Not to Exceed 15%. Costs to Replace a Unit: Markup Not To Exceed 20%. (See the revised electronic bid form Group Nos. 4, 9, 14 & 19 for all five years)

Question No. 3 Please clarify Transportation and Crane & Rigging?

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Answer: Transportation - Transporting to and from City of Houston facilities. "Crane Rigging" the electronic bid form has been revised to read as "Crane & Rigging". Crane & Rigging – If the crane(s) used to perform services are owned by the contractor they can quote an in-house rate. If the contractor does not own the crane(s), they can "No-Bid" this item. (See the revised electronic bid form Group Nos. 3, 8, 13 & 18 for all five years)

Question No. 4 11% MWBE is high for this contract. Most of the work is done in house. The City has limited Minority owned businesses on the list that we can utilize.

Answer: The divisible work, i.e., opportunities identified for M/WBE participation in this procurement include (1) the transportation/delivery of the submersible pumps and pump parts; (2) troubleshooting of the electrical control panel which power the submersible pumps; (3) purchasing lubricants, paints, and non-OEM parts that meet specifications; (4) increasing the amount of repairs subcontracted to certified MWBE firms that have been utilized in the past, as well as subcontracting with new MWBE firms that can perform the repairs; (5) Disposal of waste, oil, water, and other hazardous materials. A list of potential vendors was provided at the Pre-Bid Meeting. Additionally, please visit the MWBE/SBE Directory at the following link for more information on certified MWBE firms:

<https://houston.mwdbe.com/FrontEnd/VendorSearchPublic.asp>

If the bidder is unable to find the level of MWBE participation as stated in the solicitation the bidder may submit documentation with its bid stating all efforts that were made to find participation (their "Good Faith Efforts") to the Director of the Office of Business Opportunity (OBO). OBO will evaluate the documented efforts and make a determination if the Good Faith Efforts are sufficient to satisfy the goal requirement. Please refer to the OBO provisions on page 44 of 64 and review the "Good Faith Efforts" information there.

Question No. 5 Group 8 Items # 1 and 8. Why do you have Standard labor and Mechanical labor listed separately? They are both the same.

Answer: "Standard Labor" is unskilled labor associated with pump cleaning, painting or any indirect labor involved in the pump repair or replacement. "Mechanical Labor" is skilled labor associated with mechanical work.

Question No. 6 Page 4 – #5 - It is the City of Houston's intention to require the Contractor to provide written documentation within ten calendar days after bid opening? It was mentioned in the pre-bid meeting that this wording would be changed.

Answer: See the attached, revised page 4 of 64 marked, REVISED 10/10/2012.

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Question No. 7 Page 10 – B.00.15 – Does this mean that the OEM distributorship is required to sell parts to the Contractor at cost with no mark-up or that the OEM distributor is required to sell the parts to the Contractor at a predetermined MSRP?

Answer: the OEM distributor is required to sell parts to the contractor at a predetermined manufacturer's suggested retail price (MSRP).

Question No. 8 Page 16 – B.03.16 – It was brought to the attention of City of Houston during the pre-bid meeting that occasionally an OEM will take longer than 10 days to quote their parts. It was suggested that the City of Houston will release the Contractor from penalties if the Contractor got a written explanation from the OEM explaining the delay. It was our understanding that this would be acceptable to the City of Houston. Will that exception be written into this section?

Answer: The Section B.03.16.1 has been revised to read as "The cost estimate shall be provided to the City within ten (10) working days of the receipt of the pump at the Contractor's shop. If the cost estimate is not provided within the specified time without a valid reason and supporting documentation acceptable to the UDR, a 5.0% discount shall be applied to the final invoice amount each (business) day that a quotation is not provided. This delay deduction shall not exceed thirty percent (30%) of the final invoice amount."
(See the attached, revised page 16 of 64 marked, REVISED 10/10/2012)

Question No. 9 Our next question concerns the electronic bid document, specifically Groups 4, 9, 14, and 19 covering all five years. The City of Houston has already established limits to the percentage a Contractor can mark-up Parts & Materials, Other Services and Replacement Costs. A limit of 5% for Replacement Costs and 15% for Parts & Material and Other Services is unreasonable. The City of Houston has clearly established and agreed to much higher percentages in prior and current contracts. A review of five current contracts for the Public Works Department for Submersible Pump Repairs and Electric Motor Repairs have percentages ranging from 20% to 28% mark-up on these same items. A limit on mark-up such as exists in the groups noted inhibits our ability to compete fairly with other Contractors interested in bidding. Only a Contractor with the exclusive OEM dealership for the brand of pump in the group can afford these low limits. This clearly prevents other Contractors without the exclusive OEM dealership from bidding competitively. No one other than OEM vendors can compete.

Answer: See the response to Question No. 2 above.

Question No. 10 A prospective bidder at the pre-Bid conference; stated that the 11 % MWBE goal has proven to be impossible. The vast majority of the contract is made up of pumps and parts. (Approximately 90 – 95 %) The contract requires that we use only Original Equipment Manufacturers parts, which we are required to buy from the manufacturer, Flygt

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Corporation. All pumps and parts must be exact replacement pumps from Flygt Corporation per your contract. Flygt Corporation is a large corporation and is not a MWDBE. The contract requires that the vast majority of labor is to be by our mechanics. We had to prove that our mechanics were factory trained and capable of the proper repair of Flygt pumps, the first year we bid this contract. City personal pick up and deliver the vast majority all equipment. I was told in the per-bid by the City person in charge of the MWBE goal that I cannot use purchases such as repair to our service trucks due to the fact that they are used for other customers also. That would to most of the other purchases we have done in the past to try to meet our past goals. In summation I see no way to meet this goal. We value the Cities business and hope to continue working for the City.

Answer: See the response to Question No. 4 above.

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 solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the bidder/respondent to ensure that it has obtained all such letter(s). By submitting a bid on this project, bidders/respondents shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this solicitation and resulting bid.

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

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Attachments: Revised pages 4, 9, 16 & 18

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does not include the cost of bearings, seals, impellers, wear-rings, heaters, broken and damaged parts. The cost of bearings, seals, impellers, wear-rings, heaters, broken and damaged parts are reimbursable, if authorized by the UDR.

5. **WARRANTY:** *The contractor must provide written documentation within ten (10) calendar days after the repairs are completed and accepted by the City detailing under what circumstances a Warranty claim would be denied.*

CONTRACT "FEES AND COSTS" EXHIBIT "H" (FEE SCHEDULE):

BID A PERCENTAGE DISCOUNT OR MARKUP OF MANUFACTURER'S PRICE LIST. THIS LIST IS FOR PRICING ONLY. CONTRACTOR MAY PROVIDE NEW OEM PARTS OR NEW NON-OEM PARTS FOR DISCOUNT BID.

SITE VISIT/INSPECTION:

"The City of Houston reserves the right to inspect the bidder's current place of business to evaluate a) equipment condition and capabilities, b) staff experience, training and capabilities, and c) storage capabilities as they relate to the performance of this contract."

POST AWARD MEETING:

Once the contract has been approved by City Council, PW&E will schedule a Post award Meeting with the successful vendor(s) and PW&E End-Users. This meeting will include procurement, PW&E contracts, vendor invoicing, vendor payment and all other matters related to contract administration.

CONTRACTOR'S FACILITY AND INSPECTION:

The City of Houston will deliver to and pickup from the Contractor's shop the submersible pumps. The City will monitor the repair of its submersible pumps on a daily basis. The successful bidder shall maintain a repair facility within 50 miles from City Hall located at 901 Bagby, to allow for delivery, pickup, monitoring and inspection of submersible pumps at Contractor's location (workplace) by City of Houston Personnel.

The facility shall meet all Federal, State, Building Codes, regulations of Fire Department, City of Houston and/or local regulations, ordinances, codes and standards which **govern such facilities and the equipment therein.**

The Contractor shall furnish the City Inspection Team valid documents indicating the facility meets the current OSHA, Safety requirements, current EPA, and TCEQ requirements for air and water pollution as related to the equipment at the facility.

The facility shall have an area designated as **storage area** for safe storage of the submersible pumps under repair, submersible pump components, and the repaired submersible pumps awaiting shipment. This area shall be covered, weather protected and isolated from teardown, sandblasting, steam cleaning and similar sources of contaminants that could damage the components or the submersible pumps. The parts and submersible pumps shall be kept off the ground. The storage area shall be at Contractor's shop.

The facility shall have an area designated as **teardown area**. The teardown area shall be covered, weather protected and isolated from storage and assembly areas. The teardown area shall be at Contractor's shop.

The facility shall have an area designated as **assembly area**. The assembly area shall be covered, weather protected and isolated from teardown, sandblasting and similar contaminants that could damage components or the submersible pumps. The assembly area shall be at Contractor's shop.

The facility shall have all the necessary **overhead cranes and/or jib cranes** to handle the submersible pumps equipped with lifting eyes, or similar factory lifting points throughout the repair process. This applies to both

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**SECTION B
SCOPE OF WORK/TECHNICAL SPECIFICATIONS**

SMALL SUBMERSIBLE PUMP REPAIR SERVICES

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WASTEWATER AND DRINKING WATER OPERATIONS

B.00 GENERAL REQUIREMENTS AND SCOPE OF SERVICES:

B.00.01 The Contractor shall furnish all supervision, labor, parts, tools, materials, equipment, supplies, and facilities necessary to provide precise repair services for small submersible pumps from various facilities of City of Houston. The City will monitor the repair of its submersible pumps on a daily basis.

B.00.01.01 All Services included in "Exhibit H" entitled, FEES AND COST are a part of the Scope of Services and are to be performed when/as required.

B.00.02 The meaning of some specific terms as used in this contract is given in Exhibit A, Definitions.

B.00.03 The Small Submersible Pumps covered by this contract are grouped to indicate the manufacturer, size, and type of the units. See Exhibit A, Definitions, for the list.

B.00.04 This contract covers the general requirements for the reconditioning, rewinding, repairing, replacing and testing of the small submersible pumps located at City of Houston facilities. This includes, but is not limited to, motor stator coils, motor stator iron, motor rotor, pump casing, pump impeller, pump volute, wear rings, bearings, seals, and electrical/mechanical work. This specification defines minimum acceptable requirements for the repair of the units. The documentation required for payment for the repairs to the submersible pumps are as specified in B.12, entitled "Invoices"

B.00.05 Unless otherwise specified, fabrications, processes, parameters, and test methods for the motors of the submersible pumps shall conform to the latest revision of the following ELECTRICAL APPARATUS SERVICE ASSOCIATION (EASA) documents and ASTM guide:

- EASA AR100-2010 - RECOMMENDED PRACTICE FOR REPAIR OF ROTATING APPARATUS (hereafter abbreviated as EASA AR100-2010);
- EASA Technical Note No. 16 – GUIDELINES FOR MAINTAINING MOTOR EFFICIENCY DURING REBUILDING, September 1999 (hereafter abbreviated as EASA Tech Note No. 16);
- EASA Technical Note No. 17 – STATOR CORE TESTING, updated March 1997 (hereafter abbreviated as EASA Tech Note No. 17); and
- EASA Bearing Fit Tolerance Chart, updated 1997
- ASTM E1934-99a(2005e1) – Standard Guide for Examining Electrical and Mechanical Equipment and Infrared Thermography (herein abbreviated as ASTM E 1934)

B.00.06 ALL SUBMERSIBLE PUMP repair and services shall be performed in a manner to comply with the applicable sections of standards and codes listed in B.00.05.

B.00.07 All test equipment required for test results shall be calibrated at a minimum of once a year and adhering to standards traceable to the National Institute of Standards and Technology (NIST) or equivalent standards laboratories (see EASA AR100-21010). The Contractor shall establish, document, and maintain calibration records for testing and measuring equipment used to demonstrate conformance of product to specified requirements.

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- B.03.06 The Contractor shall disassemble submersible pump units and clean all internal parts unless otherwise specified.
- B.03.07 The Contractor shall inspect all components of the submersible pump units and all critical areas to determine if clearances are within OEM tolerances, and the parts meet manufacturer's specifications.
- B.03.08 The Contractor shall inspect the unit and its shaft for corrosion, erosion, chipping, scoring, and other damages and shall record this observation on the teardown report.
- B.03.09 The Contractor shall inspect the rotor shaft for "roundness/runout" and determine if it is within OEM tolerance
- B.03.10 The Contractor shall inspect the pump casing, impeller, shaft sleeve, and wear rings for corrosion, erosion, chipping, scoring, and other damages and shall record this observation on the Teardown Report
- B.03.11 The Contractor shall inspect the shaft extensions and key seats (keyways). Shaft extensions dimensions shall be checked and shaft must be smooth, polished, and concentric with shaft center.
- B.03.12 The Contractor shall inspect each bolt for damaged threads.
- B.03.13 Repair shall include sandblasting, welding and machining as required. Other services required of the Contractor shall include Non-Destructive Testing (NDT), chroming and metalizing if and when required.
- B.03.14 The core iron, if needed, may be grit blasted with glass beads, walnut shells, corncobs, or similar materials. It shall not be blasted with silica, garnet, or other grits, which may cause shorts between laminations (EASA Tech Note 16).
- B.03.15 The Contractor shall determine what parts are to be machined or replaced with new parts. As a minimum the Contractor shall replace all bearings and seals when the original unit was furnished with such items.
- B.03.16 Within ten (10) working days of receipt of the pump at his/her shop, the Contractor shall teardown and inspect the pump and prepare an accurate Disassembly and Inspection (D&I) Report and a good faith and detailed cost estimate and shall submit the same to the UDR. To be included with the cost estimate is a specific, detailed statement of the root cause of failure. This cost estimate shall include a brief description of the work to be performed, cost for new replacement OEM or Non-OEM parts, estimated additional labor hours required for the repair of the unit not covered under rewind/ or recondition base cost and shall include the estimated time for delivery of parts and expected completion date of the work.
- B.03.16.1 The cost estimate shall be provided to the City within ten (10) working days of the receipt of the pump at the Contractor's shop. If the cost estimate is not provided within the specified time without a valid reason and supporting documentation acceptable to the UDR, a 5.0% discount shall be applied to the final invoice amount each (business) day that a quotation is not provided. This delay deduction shall not exceed thirty percent (30%) of the final invoice amount."***
- B.03.17 The UDR will inspect the torn-downed unit, review the Contractor's proposed work scope and cost estimate. If the cost exceeds the budget, the UDR shall revise the scope and have the Contractor submit another cost estimate within five (5) days.
- B.03.18 Upon written acceptance of cost estimate by the UDR, the Contractor shall proceed with

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- B.03.31 If the manufacturer's "standard epoxy painting" information is not available, the following industrial coating specification for surface of pumps and equipment shall be followed:
- The primer and finish coats shall be two-component, rust-inhibitive, polyamide-cured epoxy coating with a recoatable finish,
 - The prime coat shall be Ameron 38P, Tnemec 69, or equal.
 - The finish coat shall be Ameron 38S, Tnemec 69, or equal.
- B.03.32 Changes to paint specifications (item B.03.29, B.03.30 and B.03.31) shall be approved by the UDR prior to application of paint.
- B.03.33 The user department will specify the paint color.
- B.03.34 Whenever needed, OEM or approved substitute specified lube/cooling oils, or equal, shall be used in the oil chamber. The lube/cooling oils shall be biodegradable, nontoxic, and FDA approved.
- B.03.35 Greases and/or lubricants used on bearings shall be OEM specified or approved equal.
- B.03.36 All electrical work for RECONDITION-REPAIR and REWIND-REPAIR of the units shall be in accordance with Item B.04 MOTOR INSPECTION AND REPAIR.

DRINKING WATER OPERATIONS

- B.03.37 Disinfection of pumps for portable water services: Prior to packaging and preparation for return to the city, all repaired or replaced pumping equipment or related parts supplied or otherwise handled or manipulated under this contract- the surfaces of which (interior and exterior) will be in direct contact with portable water shall be cleaned, swabbed with a one percent (1%) hypochlorite solution, contact time 10-30 minutes, then thoroughly rinsed with potable water after completion of contract repairs and/or hydraulic or hydrostatic testing. A separate certificate of disinfection completion, signed by the Contractor shall accompany all affected parts and/or equipment. Upon completion of the disinfection process, Drinking Water Pumps are to be isolated from Wastewater Pumps and other pumps."*

B.04 MOTOR INSPECTION AND REPAIR

B.04.01 MOTOR INSPECTION AND REPAIR-GENERAL

- B.04.01.01 The Contractor shall provide a repair data sheet showing the condition of the motor upon receipt, the repair work done and the final test results.
- B.04.01.02 During disassembly, the motor shall be visually inspected to determine cause of failure, including electrical and/or mechanical failure. Stators shall be removed from the housing.
- B.04.01.03 Stator winding phase to ground insulation shall be checked with a 500 volt megger and the results noted on the inspection form.
- B.04.01.04 Stator winding shall be checked for shorts using surge-comparison tests and all values recorded.
- B.04.01.05 The rotor assembly shall be inspected for wear, scoring and cracks. Checking for open rotor bars shall be done using but not limited to growler and magnetic paper; Enhanced testing of rotor bars can be done using infrared thermography per B.00.05
- B.04.01.06 All stators that are to be rewound shall be core lose tested. This test shall be