



CITY OF HOUSTON

Strategic Purchasing Division
Administration and Regulatory Affairs
Department

Bill White
Mayor

Calvin D. Wells
City Purchasing Agent
P.O. Box 1562
Houston, Texas 77251-1562

F. 832.383.8755
<https://purchasing.houstontx.gov>

July 22, 2008

Subject: Letter of Clarification No. 2
Aluminum Traffic Sign Blanks

Reference: Invitation to Bid (ITB) No.: S44-S22937

To All Prospective Suppliers:

This Letter of Clarification is issued for the following reason:

- To revise the above referenced solicitation as follows:
 1. At the City's e-bidding website, Line Item Numbers 16 and 17 estimated quantities have **changed** to 500 each.
 2. At the City's e-bidding website, Line Item Number 46 has been **added**.
 3. In Section B, **replace**: "page 6 of 16", with attached "page 6 of 16 marked REVISED 7/18/08".
 4. **Add** the two pages marked "Exhibit I" and "Exhibit II" to the end of the document.
- Due to the aforementioned change to the e-bidding items you may need to edit your bid. To do so, please select the "Bid Number" and proceed accordingly.

This Letter of Clarification will be considered part of the solicitation referenced above.

Furthermore, it is the responsibility of each Supplier to obtain any previous Letter(s) of Clarification associated with this solicitation.

A handwritten signature in cursive script that reads "John Tatman".

John Tatman
Procurement Specialist
Strategic Purchasing Division
832-393-8751

A small handwritten signature or initials in cursive script.

JGT:DRH:jgt

6.0 PRICE ADJUSTMENTS:

6.1 Price Adjustment Mechanism:

The price adjustment mechanism will be based on the actual percentage change of market prices as published on the last day of the month in the Wall Street Journal for aluminum for any three month reporting period. The contract price the City of Houston pays for blank aluminum signs delivered will be adjusted based on the percentage of change in the bid pricing over a three-month calendar period. The percent of the contract adjustment shall not exceed the actual documented percent of change as determined by the Wall Street Journal.

6.2 Awarded Pricing:

Initial contract pricing will be determined by adjusting the awarded bid's pricing in accordance with the documented percent of change in the bid price for aluminum as reported by the Wall Street Journal from the last day of the month prior to the date the bid is received by the City Secretary's Office up until the last day of the month Council approved the contract.

6.3 Subsequent Price Increase or Decrease:

Subsequent contract price adjustments will be based on the documented percent of change in the bid price for aluminum as verified and reported over a three calendar month reporting period. The contract price adjustment will be adjusted on the 10th of every third month beginning from the contract start date.

6.3.1 After each three calendar month price adjustment period, the contractor must submit a letter stating the reported percent of change and the amount of the increase and/or decrease itemized by the line item. The letter must illustrate the methodology as outlined in the Section 6.1 by listing the three calendar month period covered and each of the reported months corresponding low average price, the overall percentage of change in contractor's current price and the revised contract price after percent adjustment. The price adjustment request must be accompanied by the corresponding monthly market report data. The percentage change will be calculated as follows:

(Last published price for month three divided by last published price for month zero) minus one

E.g.:

The last published price for aluminum for January 2008 was \$2500/ton.

The last published price for aluminum for April 2008 was \$2850/ton.

Percentage change = $(2850/2500)-1 = (1.14)-1 = 0.1400 = 14.00\%$

Therefore the contract price would be increased by 14.00% and the increase would be effective on 5/10/08

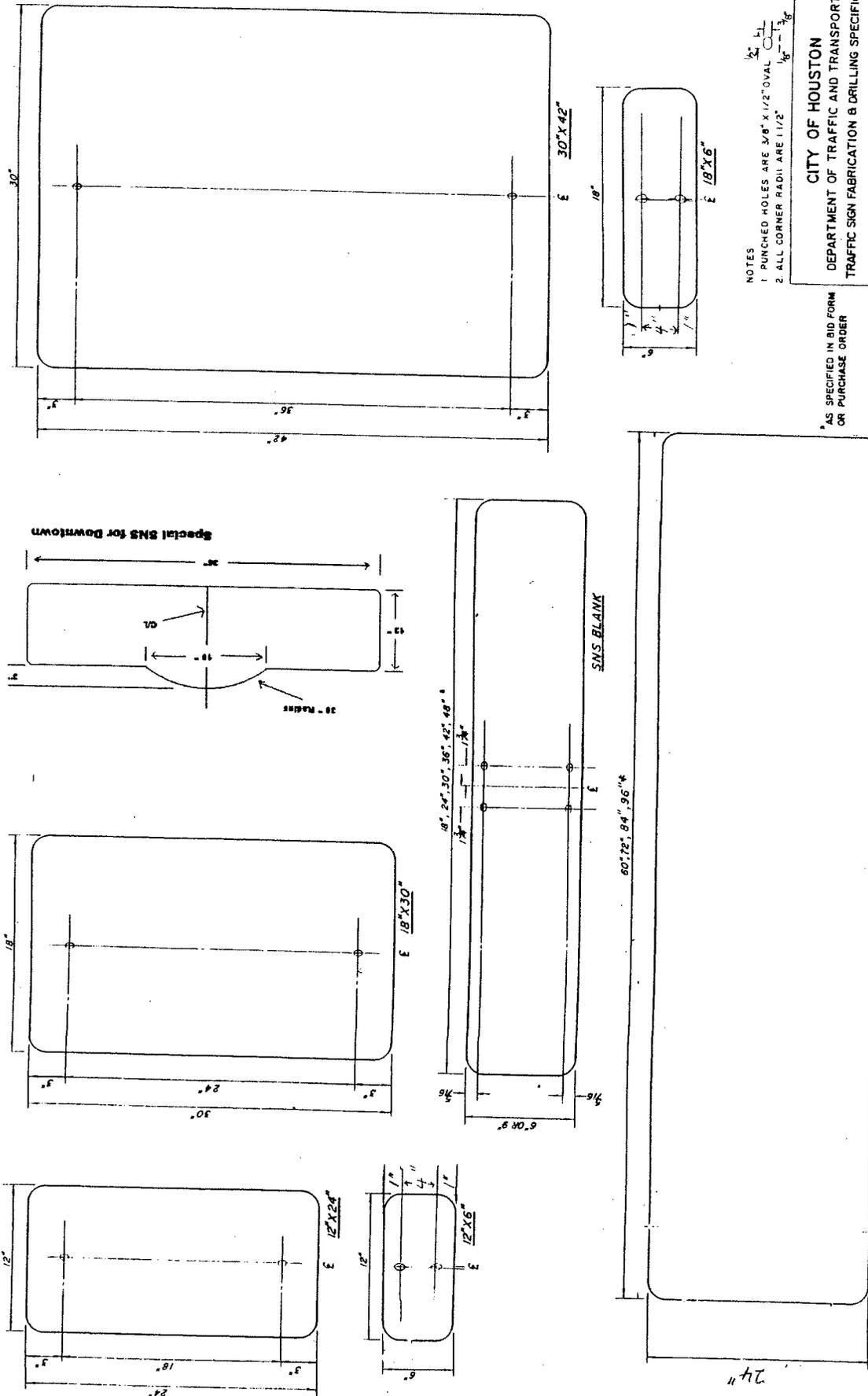
The letter and documentation shall be sent to the following address:

**City Purchasing Agent
City of Houston
P.O. Box 1562
Houston, Texas 77251**

6.3.2 If the City Purchasing Agent approves the price increase, he or she shall notify Supplier in writing; no price increase will be effective until Supplier receives this notice. If the City Purchasing Agent does not approve Supplier's price increase, Supplier may terminate its performance under the agreement upon sixty (60) days advance written notice to the City Purchasing Agent. Termination of performance is Supplier's only remedy if the City Purchasing Agent does not approve the price increase.

6.3.3 If, at any time after approving a price increase, the City Purchasing Agent determines that the City can obtain the same item at a lower price from a different source without violating the State bid law, the City may then purchase the item from the lower price source without any obligation to the Supplier.

EXHIBIT I



NOTES
 1. PUNCHED HOLES ARE 3/8" X 1/2" OVAL
 2. ALL CORNER RADII ARE 1 1/2"

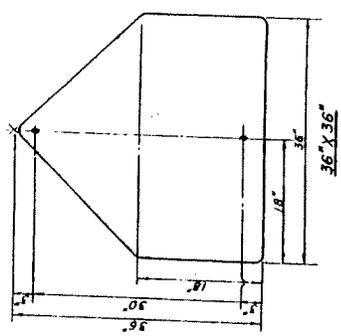
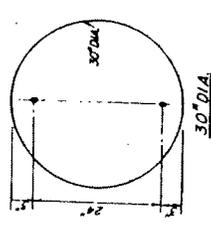
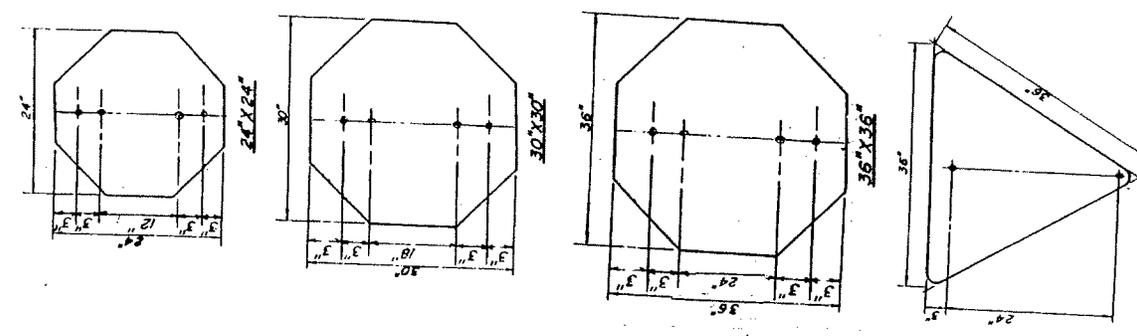
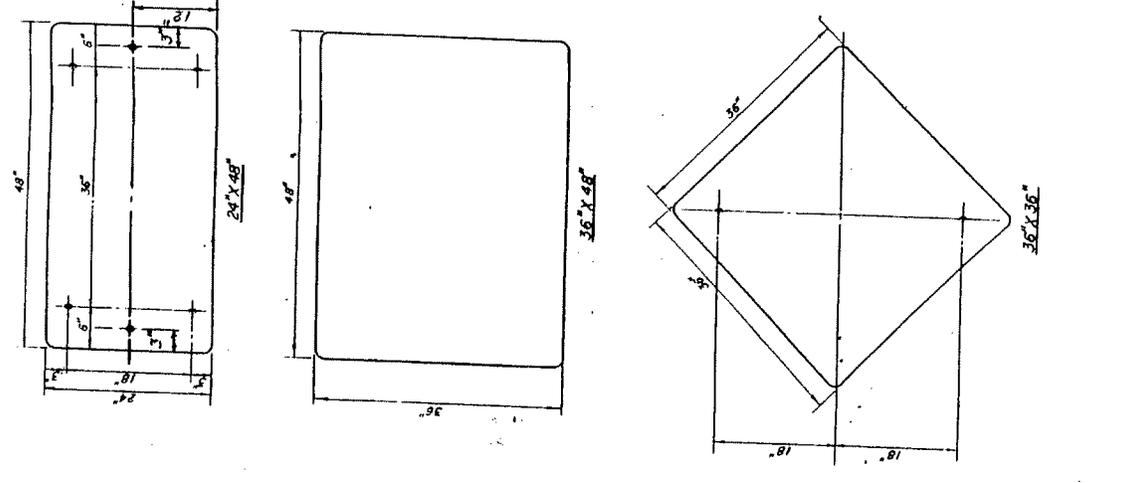
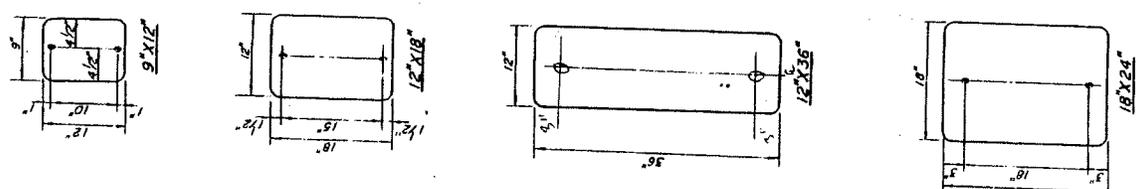
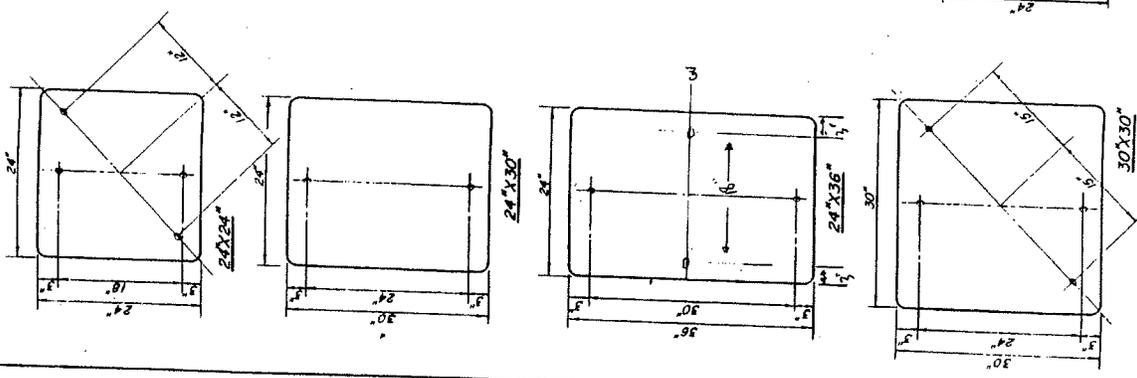
CITY OF HOUSTON
 DEPARTMENT OF TRAFFIC AND TRANSPORTATION
 TRAFFIC SIGN FABRICATION & DRILLING SPECIFICATIONS

* AS SPECIFIED IN BID FORM OR PURCHASE ORDER

TRAFFIC SIGN FABRICATION & DRILLING SPECIFICATIONS
 CITY OF HOUSTON
 DEPARTMENT OF TRAFFIC AND TRANSPORTATION
 DATE: 11/11/11
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]
 U.S.S. 3718.1.B
 3/18/11
 3/18/11

OVERHEAD SMS BLANK

EXHIBIT II



NOTES:
 1. PUNCHED HOLES ARE 3/8" X 1/2" OVAL
 2. ALL CORNER RADII ARE 1/2"

CITY OF HOUSTON
 DEPARTMENT OF TRAFFIC AND TRANSPORTATION
 TRAFFIC SIGN FABRICATION & DRILLING SPECIFICATIONS

DATE: _____
 DRAWN BY: _____
 CHECKED BY: _____
 APPROVED BY: _____
 TITLE: DIRECTOR OF TRAFFIC AND TRANSPORTATION
 7/7/87
 SHEET NO. 11
 OF 11
 DATE: 3/7/87
 DRAWN BY: _____
 CHECKED BY: _____
 APPROVED BY: _____
 TITLE: _____
 SHEET NO. 11
 OF 11