



CITY OF HOUSTON

Administration and Regulatory Affairs Department
Strategic Purchasing Division

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March 9, 2010

Subject: Letter of Clarification No. 2
ROLLS ROYCE TURBINE ENGINE REPLACEMENT PARTS, OVERHAUL OR EXCHANGE AND REPAIR SERVICES FOR THE POLICE DEPARTMENT

Reference: Invitation to Bid (ITB) No.: S21-S23543

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-bid website **revisions and additions** have been made to Group 4 Model 250 Overhaul or Exchange.
 2. In Section B, **replace** pages 4, 5, and 10 with attached **revised** pages 4, 5, and 10 dated March 9, 2010.
- Due to the aforementioned change(s) 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 black ink, appearing to read "Laura Marquez".

Laura Marquez
Procurement Specialist
Strategic Purchasing Division
832-393-8743

LM:DRH:lm

SECTION B.

CITY OF HOUSTON TECHNICAL SPECIFICATIONS FOR ROLLS-ROYCE TURBINE ENGINE REPLACEMENT PARTS, OVERHAUL OR EXCHANGE AND REPAIR SERVICES FOR THE POLICE DEPARTMENT

1.0 SPECIAL REQUIREMENTS:

- 1.1 The successful bidder must be at least a Rolls-Royce Authorized Maintenance Center (AMC) prior to the award of this solicitation.
- 1.2 The successful bidder shall provide to the City free of charge the following hard copy manuals:
- ◆ One (1) each – Operation & Maintenance Manual, Publication #10W2, with revision service for the term of the award.
 - ◆ One (1) each Illustrated Parts Catalog, Publication #10W4, with revision service for the term of the award.
 - ◆ One (1) each Service Bulletins Set, Publication #CEB250C20, and
 - ◆ One (1) each Service Letters Set, Publication #CSL250C20.

2.0 OVERHAUL/EXCHANGE SERVICES:

- 2.1 Supplier agrees to overhaul and maintain engines in accordance with the requirements and standards stated elsewhere in this solicitation. The specific tasks that the Supplier shall be required to perform on any given job may include, but shall not be limited to one or more of the following:
- 2.1.1 Complete overhaul of an engine including receiving, disassembly, cleaning, inspection, re-assembly, preparation for test and test run, final inspection and preparation for shipment. The overhaul must include all accessories that accompany engine, including but not limited to fuel pump, fuel nozzle, anti-icing valve, lube oil check valve, thermocouple harness, accumulator, oil pressure reducer, burner drain valve, oil filter assembly, P.C. filter, compressor bleed valve and ignition system.
- 2.1.2 The overhaul includes disassembly, inspection, cleaning, assembly, testing, compliance with all applicable commercial engine bulletins and preparation for shipment. Service shall include complete overhaul of the engine modules /accessories listed below.
- | | |
|-------------------------------|--------------------|
| Turbine Section (1750 & 3500) | Engine Fuel Nozzle |
| Compressor | Bleed Valve |
| Compressor Case Halves | Fuel Control |
| Governor | Fuel Pump |
| Gear Box (5250) | |
- 2.1.3 Exchange of units listed will occur upon authorization by the Budget Coordinator, Air Support Division.

3.0 REPAIR AND REPLACEMENT OF ENGINE COMPONENTS:

- 3.1 While performing any job under this award, and in addition to the work requested under the materials clause, Supplier shall (1) perform any repairs necessary to enable an engine or an engine component to perform in accordance with manufacturer's specifications for a new engine and (2) replace any parts which are defective or which, according to the manufacturer's specifications or recommendations, should be replaced at the time Supplier is performing the job.
- 3.2 All repairs will be made with Original Equipment Parts (OEM) parts. The Air Support Division, however, retains the right to authorize; on a case-by-case basis, the use of Federal Aviation Administration (FAA) approved equivalent parts, which have been approved for use in Rolls-Royce engines, when using such parts is deemed to be in the City's best interest.

4.0 SPECIAL REQUIREMENT FOR TESTING OF ENGINES:

Any engine/module which the Supplier overhauls pursuant to this award shall be tested by running on a certified test stand prior to return to the City. This test run shall be performed for the period of time that is recommended in the Rolls-Royce Maintenance and Overhaul Manual. During the test run, the engine must perform full in accordance with the specifications promulgated by the manufacturer for a new engine. If the engine fails the test run, Supplier shall correct the malfunction at no additional cost and repeat the test run procedure until the engine has passed the test. Additionally, the engine must produce a minimum of 5% @take-off above the manufacturer's rated shaft horsepower and appropriate documentation of such must be provided upon the delivery of the engine.

5.0 PRESERVATION OF ENGINES AND ENGINE COMPONENTS:

Supplier recognizes that engine and engine components upon delivery to the Police hangar are stored for several months prior to installation in a helicopter. Accordingly, prior to shipment to the Police hangar (or if the engine component is overhauled in a mobile unit at the Police hangar, prior to delivery), Supplier shall apply adequate preservatives to protect the engine and engine component for a ninety (90) day period and/or the period of time specified by the Budget Coordinator, Air Support Division.

6.0 PRICE ADJUSTMENT FOR LINE ITEMS (ITEM NOS. 1 THRU 10):

6.1 Direct Cost:

In this section means Supplier's cost from the manufacturer of any item or if Supplier is the manufacturer, the cost of raw materials required to manufacture the item, plus costs of transportation from manufacturer to Supplier and Supplier to the City.

6.2 Price Decreases:

6.2.1 If the Supplier's Direct Cost **decreases** at any time during the term of this award, Supplier shall **immediately** pass the decrease on to the City and lower its prices by the amount of the decrease in Direct Cost.

6.2.2 The Supplier shall notify the City Purchasing Agent of price decreases in the same way as for price increases set out below. The price decrease shall become effective upon City Purchasing Agent's receipt of Supplier's notice.

6.3 Price Increases:

6.3.1 Suppliers may request a price increase after (12) months from the bid opening date of the bid received by the City Secretary of the City of Houston. Subsequent price increases may be requested (12) months from the date of the previous approved price increase. The amount of the first increase shall not exceed actual documented increase in Supplier's Direct Cost and shall not ever be more than 10% above the previous bid price. The amount of the subsequent price increase shall also not exceed this percentage.

6.3.2 To request a price increase, Supplier must submit a letter setting the amount of the increase, along with an itemized list of any increased prices, showing the Supplier's current price, revised price, the actual dollar difference and the percentage of the price increase by line item. Documentation from the Supplier's supplier(s) showing the actual dollar increase/decrease to the Supplier must accompany this request. Such documentation from the Supplier's supplier must clearly show the dollar increase incurred by the Supplier on the applicable award per item bid. The letter and documentation shall be sent to the following address:

GENERAL TERMS AND CONDITIONS FOR ROLLS-ROYCE TURBINE ENGINE REPLACEMENT PARTS, OVERHAUL OR EXCHANGES AND REPAIR SERVICES FOR POLICE DEPARTMENT, CONTINUED:

6.0 INVOICING:

- 6.1 In order to expedite payment all invoices must be submitted in triplicate, itemized as to quantity, part number, description, and applicable discount (if any) in the same order and form as in the City of Houston Purchase Order. Variations will only delay payment. In addition, invoices must show the name of the Department, Division or Section to which the merchandise was delivered, and the City of Houston Purchase Order Number.
- 6.2 All delivery tickets must have a description of the commodity delivered.
- 6.3 Mail invoices to the Accounts Payable Section of the department and to the address, as noted on individual purchase orders.
- 6.4 Delivery tickets and packing slips shall contain the same information as the invoice.
- 6.5 All packing slips and delivery tickets must be signed by the receiving employee and must show his/her City employee number.
- 6.6 **All bid pricing on line items are not-to-exceed prices with no bill-backs allowed.**

7.0 PAYMENT:

Payment is due thirty (30) days after the City has approved the invoice or after the City has accepted the goods, whichever occurs later.

8.0 MATERIAL SAFETY DATA SHEETS (MSDS):

- 8.1 All Bidders should submit with their bid, two (2) complete, most current copies of the required Material Safety Data Sheet (OSHA Form 174), manufacturer's safety data sheet, or such other sheet that contains the same information as the OSHA Form 174 for each product bid. Should these forms be omitted from the bid, Bidder promises to deliver said forms within ten (10) working days of receipt of notice from the City. Failure to comply with this notice will be just cause for rejection of the bid from further consideration. A Material Safety Data Sheet must accompany each shipment.
- 8.2 Each sheet submitted should be identified by the Bidder's complete company name; formal bid number and bid form item number.

9.0 CONTAMINATED MATERIALS:

Each Supplier shall be required to identify their source of supply. No material will be accepted from a hazardous or toxic waste site, regardless of whether the site has been identified by either a Local, State or Federal Agency. No contaminated, toxic, hazardous waste products or heavy metal product shall be contained in these deliveries. If any material, supplied to the City is found to be contaminated or contain heavy metal products, it will be the responsibility of the Supplier to remove and replace the contaminated product at their expense and at no cost to the City. The City has the option to solicit the removal of any contaminated material and charge back the Supplier any and all costs involved.

10.0 INSPECTIONS AND AUDITS:

- 10.1 The City reserves all rights to review all payments made to Suppliers by auditing at a later date. Subject to such audit, any overpayments may be recovered from the Supplier.
- 10.2 Representatives of the City have the right to examine the books of all subcontractors and/or suppliers supplying goods and/or services under the prime award insofar as those books and records relate to performance under the prime award.
- 10.3 City representatives may have the right to perform, or have performed, (1) audits of Supplier's books and records, and (2) inspections of all places where work is undertaken in connection with this award. Supplier shall keep its books and records available for this purpose for at least three years after this award terminates. This provision does not affect the applicable statute of limitations.