



CITY OF HOUSTON

Administration and Regulatory Affairs Department
Strategic Purchasing Division

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Mayor

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September 19, 2011

Subject: Letter of Clarification No. 3 to Invitation to Bid No. S12-S23911 for Chemical, Fine Quicklime and Calcium Hydroxide Slurry for the Public Works & Engineering Department

To: All Prospective Bidders:

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

1} To revise the above referenced solicitation as follows:

- **Electronic bid document quantities are hereby changed as follows:**

CHEMICALS, FINE QUICKLIME & CALCIUM HYDROXIDE SLURRY

Item #	Material Description	Description	Unit of Measure	Quantity
1	LIME, QUICK FINE BULK TRUCKLOAD	885-78-480-142, Fine Quicklime, Bulk in truckload lots. Minimum 90% available calcium oxide CaO, for any quantity as needed, per specifications (Price Per Pound).	Each	30,000,000
2	LIME, SLURRY / CALCIUM HYDROXIDE, CRS 45	885-78-52-100-2, Calcium Hydroxide Slurry CRS 45 or equal, bulk, in truckload lots, per specifications Price Per Pound).	US pound	104,000,000

- **SECTION B, entitled TECHNICAL SPECIFICATIONS is hereby changed as follows:**

1. Remove pages 11, and 12 of 24 and replace with the attached pages 11 and 12 of 25 marked "Revised 09/19/11".

- **SECTION C, entitled GENERAL TERMS AND CONDITIONS is hereby changed as follows:**

2. Remove pages 14, and 15 of 24 and replace with the attached 14 and 15 of 25 marked "Revised 09/19/11".

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.

Martin L. King
Martin L. King
Senior Staff Analyst
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Partnering to better serve Houston

Council Members: Brenda Stardig Jarvis Johnson Anne Clutterbuck Wanda Adams Mike Sullivan Al Hoang Oliver Pennington Edward Gonzalez James G. Rodriguez Stephen C. Costello Sue Lovell Melissa Noriega C.O. "Brad" Bradford Jolanda "Jo" Jones **Controller: Ronald C. Green**

9.0 TESTING OF DELIVERIES OF LINE ITEM NO. 2, CALCIUM HYDROXIDE SLURRY, CRS 45 OR EQUAL:

REVISIONS
REVISED 09/19/11

9.1 Upon request by the City individual truckload lots shall be sampled and the chemical analysis shall be furnished by the Contractor to the City by mail when the truckload is shipped. The Contractor shall furnish and certify, as a minimum, the following sampling information:

9.1.1 Percent material retained on a No. 10 sieve.

9.1.2 Percent material retained on a No. 30 sieve.

9.1.3 Percent available Ca (OH)₂.

9.2 Failure to comply in this regard could result in rejection of the car or truckload.

9.3 The quality of the material in each truckload lot will be determined from an analysis of samples collected on the arrival of such carload or truckload at the Houston Water Purification Plant. The Contractor may have a representative present at the time of sampling. Contractor agrees that the City of Houston laboratory results shall be final and binding in any decision to accept or reject any particular load of product.

10.0 BASIS FOR REJECTION OF LINE ITEM NO. 2, CALCIUM HYDROXIDE SLURRY, CRS 45 OR EQUAL:

10.1 Percent available Ca (OH)₂ less than 90%

10.2 Percent of Dry Solids Content less than 32%, sampled by specific gravity.

10.3 Available Ca (OH)₂ - Rapid sugar method as outlined in A.W.W.A. Specifications B202-93 under determination of available Calcium Oxide. (NOTE: The City will test all samples for the other rejection criteria and order the truck unloaded or returned based on their results. Due to the length of this test, it will not be used to reject loads. However, failure of this test will result in the following load to be tested upon arrival. No Demurrage will be charged by the Contractor nor paid by the City for those loads which must be tested due to a prior failure. If repeated failures occur, termination of the contract will result.)

11.0 CERTIFICATE OF GUARANTEE FOR LINE ITEM NO. 2, CALCIUM HYDROXIDE SLURRY, CRS 45 OR EQUAL:

Upon request by the City, bidders will provide a product quality Certificate of Guarantee certifying they are qualified under the Classification and Follow-up Service of Underwriters Laboratories Inc. to furnish Drinking Water Treatment Additives classified with respect to Standard ANSI/NSF 60. The certificate will be retained by the City and used for comparison of the quality of material delivered pursuant to the bid award/purchase order.

12.0 REJECTION OF ANY SHIPMENT NOT MEETING SPECIFICATIONS FOR LINE ITEM 2, CALCIUM HYDROXIDE SLURRY, CRS 45 OR EQUAL:

12.1 The City of Houston may reject and refuse delivery of any truckload lot of material which fails to conform to these specifications for lime slurry. The City of Houston shall not be held to have accepted any shipment until after the Houston Water Purification Plant Laboratory has made its analysis of the material, and the City of Houston has had an opportunity to exercise this right to accept or reject the shipment.

12.2 In the event that a shipment of lime slurry is rejected for failure to meet specifications, the supplier is to furnish a replacement shipment to the Houston Water Purification Plant within four (4) hours or as agreeable to the receiving department. Any additional expense associated with the replacement shipment over and above the contract price shall be at the expense of the supplier. In the event a replacement shipment causes City Operations and/or laboratory personnel to remain on overtime to receive and sample the replacement shipment, the Contractor shall reimburse the City the sum of fifty dollars (\$50) per hour for each hour or portion of an hour after 3:30 P.M. that City personnel must remain on site to receive the replacement shipment.

SECTION C

**GENERAL TERMS AND CONDITIONS FOR
CHEMICAL, FINE QUICKLIME AND CALCIUM HYDROXIDE SLURRY FOR THE
PUBLIC WORKS AND ENGINEERING DEPARTMENT**

REVISED 09/19/11

1.0 TERM OF AWARD:

- 1.1 The term of award shall be for a sixty (60) month period beginning on the date specified in the Notice of Award letter. During this period, purchase orders will be issued for items as needed. Any conflict between the terms and conditions as specified herein and said purchase orders; the term and conditions of the solicitation shall govern. The Supplier will not provide any goods/services without first having received an official City of Houston purchase order. While it is the intent to procure goods/services by issuing an Official City of Houston Purchase Order, there will be instances when a Purchasing Card (P-Card) or Petty Cash may be used. **The City requires that the prices awarded be honored on all purchases.**
- 1.2 It is emphasized that the City of Houston does not guarantee to purchase any specific quantity of any item listed; rather, the quantities may vary depending upon the actual needs of the user departments. Supplier shall remain obligated to the City under all clauses of this award that expressly or by their nature extend beyond and survive the expiration or termination of the award, including but not limited to warranties and indemnity provisions hereof.

2.0 SUPPLIER'S DUTY TO PAY:

Supplier shall make timely payments to all persons and entities supplying labor, materials or equipment for the performance of this award. Supplier agrees to protect, defend, and indemnify the City from any claims or liability arising out of Supplier's failure to make such payments. (Disputes relating to payment of MWBE subcontractors shall be submitted to arbitration in the same manner as any other disputes under the MWBE subcontract. Failure of the Supplier to comply with the decisions of the arbitrator may, at the sole discretion of the City, be deemed a material breach leading to termination of this award).

3.0 OPTIONAL EXTENSION:

- 3.1 Subject to the availability of funding, this Award may be extended on a month-to-month basis upon acceptance of the Supplier beyond the initial awarded term. A price increase, subject to the provisions of the Award, may be requested by the supplier for approval by the City Purchasing Agent at this time. If the price increase is approved by the City Purchasing Agent or if no price increase is requested, a letter of extension will be issued by the City Purchasing Agent for the Supplier's acceptance under the same terms and conditions as the existing award.

4.0 PRICE ADJUSTMENT FOR LINE ITEMS 1 & 2:

4.1 Quarterly Price Adjustment Formula for Line items 1 & 2:

4.1.1 The price of diesel will be based on published prices from the U.S. Department of Energy, Energy Information Administration (On-highway diesel prices, by week and PADD, Gulf Coast).

4.1.2 The price of natural gas will be based on published prices from NYMEX (Henry Hub Natural Gas Futures).

4.1.3 The Producer Price Index will be based on Series ID #32741-32741 (Industry Data, Lime Manufacturing).

4.1.4 The bid price is also the original contract price and will be in effect from the day of bid opening until the 10th of the following third calendar month. The new price will be:

$$\underline{\underline{[(old\ price*.4)*(D2/D1)]+[(old\ price*.3)*(NG2/NG1)]+[(old\ price*.3)*(PPI2/PPI1]}}$$

REVISED 09/19/11

4.0 PRICE ADJUSTMENT FOR LINE ITEMS 1 & 2, CONTINUED:

4.1 Quarterly Price Adjustment Formula for Line items 1 & 2, continued:

D1 Originally last reported Diesel price before bid opening. Later D1 will be the previous D2

D2 Last reported Diesel price before scheduled price change

NG1 Originally the Natural Gas price of the first published day of the month of the bid opening. Later, NG1 will be the previous NG2

NG2 First reported Natural Gas price of the month of the scheduled price change

PPI1 Originally the PPI price of the month of the bid opening. Later, PPI1 will be the previous PPI2

PPI2 First reported PPI price of the month of the scheduled price change.

4.2 Price Adjustment Approval:

4.2.1 Contract pricing shall be calculated by the Supplier who shall apply the contract price for the items to the change in commodity prices as documented in the CMAI and the Green Markets on a dollar for dollar basis. The Supplier shall submit the prices showing the average price, the contract price, and the resulting price by the fifth (5th) day of the month, of the adjustment to be approved. Upon mutual agreement between the City and the Supplier, this price will become effective on the tenth (10th) calendar day of the month. The letter and documentation shall be sent to the following:

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

4.2.2 Should there be any objection by the City concerning the price adjustment, the City and Supplier shall meet by the eighth (8th) day of the month prior to the effective date of the adjustment to be approved to resolve any discrepancies.

4.2.3 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 Contractor/Supplier.

5.0 QUANTITY OF FINE QUICKLIME AND CALCIUM HYDROXIDE SLURRY:

City's demand for fine quicklime and calcium hydroxide slurry varies over a wide range depending on plant flow and levels of production; therefore, the Supplier must guarantee availability and deliverability to meet the total needs of the system. Failure to respond, which results in operational shut down for lack of fine quicklime and calcium hydroxide slurry, shall be deemed breach of contract with all legal remedies.

6.0 LIQUIDATED DAMAGES:

All prospective bidders are hereby notified that the Department's specified product deliver time is important to plant operations and scheduling. Late deliveries will cause damage to the City. As such, late deliveries shall be subject to liquidated damages of one percent per day of the total dollar amount of the subject quantity in the specific purchase order, or quantity of materials requested for delivery specified on one order. Liquidated damages shall apply for all days past the specified days for delivery after receipt of the quantity specified in the purchase order, or date of requested delivery under a blanket purchase order.