



CITY OF HOUSTON
Strategic Purchasing Division

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Mayor

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May 7, 2013

Subject: Letter of Clarification No. 3
Chemicals, Lawn, Garden and Insecticides

Reference: Invitation to Bid (ITB) No.: S32-S24242

To All Prospective Bidders:

This Letter of Clarification is issued for the following reason:

- To revise the above referenced solicitation as follows:
 1. No questions shall be received after 5:00 pm on Friday, May 10, 2013.
 2. At the City's electronic website, Group No. 1, Item Nos. 7, 8 and 11 have **changed**.
 3. At the City's electronic website, Group No. 2, Item Nos. 2, 6, 7, 8, 17, 31, 32, 35, 41 and 50 have **changed**.
 4. At the City's electronic website, Group No. 2, Item Nos. 14, 16, 33, 39, 48 and 53 have been **deleted**.
 5. At the City's electronic website, Group No. 3, Item Nos. 3, 10, 23, 26, 50 and 62 have **changed**.
 6. At the City's electronic website, Group No. 3, Item Nos. 22 and 55 have been **deleted**.
 7. At the City's electronic website, Group No. 4, Item Nos. 8, 23, 27 and 31 have **changed**.

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Subject: Letter of Clarification No. 3
Chemicals, Lawn, Garden and Insecticides for Various Departments

8. At the City's electronic website, Group No. 4, Item Nos. 1, 5, 17 and 25 have been **deleted**.
9. At the City's electronic website, Group No. 5, Item No. 6 has **changed**.
10. At the City's electronic website, Group No. 6, Item Nos. 16 and 17 have been **deleted**.
11. In Section A, page 3 of 17, Quiet Period/No Contact provision, **change** to read:

NO CONTACT PERIOD:

Neither bidder(s) nor any person acting on bidder(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise of gratuities, favors, or anything of value to any appointed or elected official or employee of the City of Houston, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the award, aside from bidder's formal response to the solicitation, communications publicly made during the official pre-bid conference, written requests for clarification during the period officially designated for such purpose by the City Representative, neither bidder(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Houston, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any bidder. However, nothing in this paragraph shall prevent a bidder from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action.

12. In Section B, page 6 of 17, Provision 1.0, **change** to read:

1.0 PRICE ADJUSTMENT:

1.1 Price Decreases:

If the Supplier's Direct Cost decreases at any time during the full 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.

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Chemicals, Lawn, Garden and Insecticides for Various Departments

1.0 PRICE ADJUSTMENT (CONTINUED):

1.1 Price Decreases (continued):

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 approval of Supplier's notice.

1.2 Price Increases:

Suppliers may request a price increase after six (6) 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 six (6) 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.

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 solicitation per item bid. The letter and documentation shall be sent to the following address:

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

Once the price increase request is received, the City Purchasing Agent will review it and either grant or deny the request in writing within fifteen (15) working days. 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.

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Subject: Letter of Clarification No. 3
Chemicals, Lawn, Garden and Insecticides for Various Departments

1.0 PRICE ADJUSTMENT (CONTINUED):

1.2 Price Increases (continued):

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 laws, the City may then purchase the item from the lower price source without any obligation to the Supplier.

1.3 Non-Agency Products:

Direct cost is stated as Supplier's cost from the manufacturer of any item or if the 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. Cost of transportation is defined as associated costs for delivery of goods to be shipped FOB destination for fuel and fuel surcharge. The cost must be defined in detailed between the initial bid amount and subsequent increase(s), stating the difference in cost and increases needed.

1.4 Agency Controlled Pricing:

To request a price increase, Supplier must submit a letter stating the amount of the increase, along with an itemized list of any increased prices, showing the Manufacturer'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. This documentation must show the items are agency priced by the Manufacturer. Such documentation from the Manufacturer must clearly show the dollar increase incurred by the Supplier on the applicable solicitation per item bid. The total amount of increase shall not exceed 50% of supplier's total awarded amount. The letter and documentation shall be sent to the following address:

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13. In Section C, page 10 of 17, Provision 7.0, **change** to read:

7.0 SAFETY DATA SHEETS (SDS):

- 7.1 All Bidders should submit with their bid, two (2) complete, most current copies of the required 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.
- 7.2 Each sheet submitted should be identified by the Bidder's complete company name; formal bid number and bid form item number."
- 7.3 A Safety Data Sheet must accompany each shipment. If a Safety Data Sheet does not accompany each shipment, the City has the right to reject each shipment.

14. In Section C, page 11 of 17, Provision 12.5, **change** to read: "The Bidder must demonstrate its ability to secure and deliver any item within seven (7) to ten (10) working days. Forty-eight (48) hour delivery services may be required in some instances; therefore, Bidder must be able to provide such service."

- 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 on the first page of this document. 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).

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



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Strategic Purchasing Division
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DRH:vrd

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