



CITY OF HOUSTON

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February 12, 2014

Subject: Letter of Clarification No. 1
Emergency Medical Equipment, Supplies and Pharmaceuticals for Various Departments

Reference: Invitation to Bid (ITB) No.: S21-S24712

To All Prospective Bidders:

This Letter of Clarification is issued for the following reasons:

- To revise the above referenced solicitation as follows:
 1. At the e-bid website, Groups I thru VI, the item descriptions and quantities have been **updated**.
 2. In Section C, Page 15 of 22, Provision 14.4 has been **changed**: "attached page 15 of 22, marked revised 02/12/2014".
 3. In Section B, Page 9 of 22, Provision 13.3.3 has been **changed**: "attached page 9 of 22, marked revised 02/12/2014."
 4. In Section B, Page 6 of 22, Provision 4.0 has been **changed**: "attached page 6 of 22, marked revised 02/12/2014."

- To answer the following questions:
 1. Question: *"Would the City of Houston be willing to remove Provision 13.2 Price Decreases?"*
Answer: "No."
 2. Question: *"Is this bid in an excel format?"*
Answer: *"Please refer to the e-bid website at <http://purchasing.houstontx.gov/bids> for the bid in its entirety."*
 3. Question: *"Will the firm fixed pricing be extended to other entities through the utilization of inter-local agreements?"*
Answer: "Yes."
 4. Question: *"Is the Supplier able to negotiate freight charges for deliveries beyond Harris County?"*
Answer: "Yes."

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5. Question: *"Will this new bid override the expired or existing bids for similar supplies?"*
Answer: *"Yes."*
6. Question: *"Where can a Supplier review previous award history for emergency medical equipment, supplies and pharmaceuticals?"*
Answer: *"The records for emergency medical equipment, supplies and pharmaceuticals may be requested from the Finance Department - Open Records located at 611 Walker, 10th floor, room 1047 Houston, Texas 77002."*
7. Question: *"Can you provide detail information for Hire Houston First?"*
Answer: *"Please visit the website of Office of Business Opportunity to receive detailed information on the Hire Houston First initiative at <http://www.houstontx.gov/obo/hirehoustonfirst.html>."*
8. Question: *"Are the estimated quantities for one year or thirty-six months?"*
Answer: *"The estimated quantities are for a sixty-month term."*
9. Question: *"Should the Supplier separate the shipping and freight charges for supplies delivered to the City?"*
Answer: *"No."*
10. Question: *"At the e-bid website, the units of measures differ from the industry standards which may affect unit pricing. How will the bid be evaluated?"*
Answer: *"Groups I thru VI are Price List Catalogs which reference high use sample items listed for bid evaluation purposes. Pricing should be in accordance to the industry standard. The discounted percentage offered for the category within the Price List is considered for an award."*

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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(832) 393-8735
LG:DRH:lg

11.0 INSPECTIONS AND AUDITS:

- 11.1 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.
- 11.2 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.
- 11.3 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.

12.0 SILENCE OF SPECIFICATIONS:

The apparent silence of these specifications as to any detail, or the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only material and workmanship of the finest quality are to be used. All interpretations of these specifications shall be made on the basis of this statement. The Bidder shall be an established Supplier of the items bid.

13.0 SPECIFIED EQUIPMENT, OR EQUIVALENT:

- 13.1 Wherever in the specifications any materials or processes are indicated or specified by patent or proprietary name and/or by name of manufacturer, such specifications shall be deemed to be used for the purpose of facilitating descriptions of the performance, materials and/or processes desired and shall be deemed to be followed by the words, "or equivalent", if not so stated in the specifications herein.
- 13.2 The burden of proof shall rest with the Bidder, in the course of a technical evaluation, to prove that the proposed item(s) are equivalent to the performance, materials, processes, or articles specified. **DETERMINATION AS TO WHETHER THE ITEM(S) BID IS/ARE EQUIVALENT TO THOSE SPECIFIED SHALL REST SOLELY WITH THE CITY PURCHASING AGENT AND THE RECEIVING DEPARTMENT.**

14.0 DELIVERIES:

- 14.1 The Supplier agrees to make deliveries only upon receipt of duly signed and approved Purchase Orders issued by the City of Houston City Purchasing Agent or designee within (5) business days for standard stock items. Delivery made without such Purchase Order shall be at Supplier's risk and shall leave the City the option of canceling any award implied or expressed herein.
- 14.2 Unless otherwise stated in the Bid Form or Specifications, deliveries must consist only of new and unused merchandise.
- 14.3 Full tare must be allowed and no charges made for packages.
- 14.4 In the event that the deliveries of the standard stock supplies covered in the solicitation are not made within the (5) five business days, or in the event that the standard stock supplies delivered are rejected, and are not removed and replaced within the number of days specified in the official notice of rejection, the City reserves the right to terminate. The defaulting Supplier will be deemed non-responsible and will be disqualified from bidding on the solicitation if it is re-let by the City within ninety (90) days of such termination.

15.0 SHIPPING TERMS:

Prices shall be F.O.B. Destination to the delivery location designated herein or on a purchase order. The Supplier shall retain title and control of all goods until they are delivered and the award of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the Supplier. The Supplier shall file all claims for visible or concealed damage. The City will notify the Supplier promptly of any damaged goods and shall assist the Supplier in arranging for inspection.

13.0 PRICE ADJUSTMENT FOR LINE ITEMS (GROUP VI, LINE ITEM NOS. 1 and 2)

13.1 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.

13.2 Price Decreases:

13.2.1 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.

13.2.2 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.

13.3 Price Increases:

13.3.1 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 15% above the previous bid price. The amount of the subsequent price increase shall also not exceed this percentage.

13.3.2 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 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:

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

13.3.3 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 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. **Note: Suppliers shall not delay or stop deliveries pending price increase approval.**

13.3.4 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.

SECTION B.

CITY OF HOUSTON TECHNICAL SPECIFICATIONS FOR EMERGENCY MEDICAL EQUIPMENT, SUPPLIES AND PHARMACEUTICALS FOR VARIOUS DEPARTMENTS

1.0 SCOPE OF WORK

- 1.1 Supplier shall provide emergency medical equipment, supplies and pharmaceuticals to the Houston Airport System (HAS), Houston Department of Health and Human Services (HDHHS), Public Works & Engineering (PWE), Police and Fire Departments (HPD/HFD). The City of Houston (COH) seeks Suppliers who are able to anticipate the needs and requirements of the participating Departments; demonstrating the knowledge of any and all applicable industry standards, laws and regulations; and possess the willingness and ability to distribute, market to and service the City. **The only designated Departments authorized to order pharmaceuticals are HDHHS and HFD.**
- 1.2 The Supplier shall be responsible for providing 1) the latest edition published price catalogs at no charge to each participating Department without limitation as to quantity for the term of the award 2) a custom built, restricted, COH designated electronic catalog (e-catalog) system for supplies as in the published price catalog 3) the Supplier's actual invoice cost from the manufacturer and or pricing agreements with manufacturer's or Contractor which have been negotiated by the Supplier on behalf of the City of Houston 4) an authorized representative(s) to deliver optimum customer service support, order fulfillment, offer custom reporting and building for re-ordering and standardization of supplies purchased by participating Departments.
- 1.3 Supplier shall be named as an Authorized Distributor of Record (ADR) by the manufacturer and shall provide such record. Supplier shall be named as a Verified-Accredited Wholesale Distributor (VAWD) by the National Association of Board of Pharmacy (NABP) and be an active VAWD accredited facility for supplies.

2.0 EXPECTATIONS FOR EQUIPMENT/PRODUCTS

Industry Standards: As they are generally understood and accepted within that industry across the nation, Supplier will be deemed to be intimately familiar with the industry standards for items referenced; with this knowledge Suppliers are instructed to bid appropriately and properly identify the accepted industry standard. **Suppliers are requested to consider the validity of inverse packaging or unit of measures populated at the e-bid document and unit price offered should be defined in accordance to the industry standard.**

3.0 OUT OF STOCK/DISCONTINUED/RECALL NOTIFICATION

Supplier shall immediately notify the Buyer by via email upon receipt of orders when an out-of-stock, discontinued or recall items occur. Supplier shall inform the Buyer on the anticipated date of availability for the out-of-stock, discontinued or recall items, and may suggest equivalent substitutes. The ordering Departments shall have the option of accepting the equivalent or canceling the item from the order. Under no circumstances is the Supplier permitted to make unauthorized substitutions.

4.0 PERCENTAGE DISCOUNT FROM CATALOG OR CATEGORY

A specific percentage discount from a catalog or categories referenced at the e-bid document may be bid as specified or Supplier may bid an alternate or approved equal catalog for the products/equipment. The bids received will be evaluated on Supplier's ability to meet or exceed specifications and most advantageous discount to the City. **Cost plus a percentage of cost as a primary pricing mechanism is not desirable. Price List Catalog submitted for evaluation of sample items must include list price, part numbers, and illustration of supplies.**