

**THE METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY**

**AMENDMENT NO. 1
RFP 10-123**

Notice to: All Prospective Bidders

From: Chuck Yancey
Division of Purchases

Re: RFP 10-123
Full Service Elevator, Escalator, Chair Lift and Platform Lift Maintenance and Repair

Date: October 28 2010

This amendment is hereby incorporated into Metro's Request for Proposal 10-123 Full Service Elevator, Escalator, Chair Lift and Platform Lift Maintenance and repair. Proposers must acknowledge receipt of the amendment by including a copy of this document with their proposal submittal. Failure to acknowledge receipt may be cause for rejection of the response in whole or in part.

The following amendment items supplement, modify, change, delete from, or add to the Request for Proposal issued October 8, 2010. Where any provision or requirement, or Article, Paragraph, Subparagraph, Section or Clause is modified or deleted by this amendment, the unaltered portion(s) of any provision or requirement, or Article, Paragraph, Subparagraph, Section or Clause shall remain in effect.

THIS AMENDMENT SHALL BE BOUND IN AND MADE PART OF THE REQUEST FOR PROPOSALS.

STATEMENTS/QUESTIONS/ANSWERS

Statement: This is the second RFP issued for this service. The last one was cancelled after the RFP's were submitted. These RFP's are costly and time-consuming to prepare.

Question: Why was this RFP cancelled?

Answer: Per the correspondence of May 28th sent to all proposers: Metro's strategy for the procurement for these services has evolved and the procurement as originally issued in RFP 10-20 will not satisfy our objectives.

Statement: If the reason for cancelling was to include the National IPA in the RFP, all other language being the same, I submit that following information concerning this group.

- On June 19, 2010, I emailed National IPA and requested information and asked for a representative to contact me. After two weeks and no reply, I called and spoke to a receptionist. She took my name and number and said someone would call. No one did. I called again and left contact information again. A representative did return my call. I began to ask questions. There was a long pause after each question. The answers were generic and not responsive to the questions. I asked to speak to a more knowledgeable person. No one was available. Several weeks later, I received a letter thanking me for my interest in the company and stating that they would contact me if they ever needed my services. With this information in mind, please respond to the following.

For questions 1 through 7, the website for National IPA is: <http://www.nationalipa.org/>
While not requested, the websites for other cooperatives Metro has or may be considering are:

<http://www.aboutwsca.org/content.cfm/id/WSCA>

<http://www.uscommunities.org/>

<http://www.mmcap.org/>

1. Please give background of National Intergovernmental Purchasing Alliance.
2. How long have they been in business?
3. Is it nonprofit?
4. Do they now have contracts that they are marketing?
5. If so, what are these commodities? Are there any service contracts?
6. How does Metro benefit if elevator services are used by other entities?
7. Are there any brochures, materials etc. available from National Intergovernmental Purchasing Alliance? '

Question: Did Metro interview other purchasing cooperatives? If so, how many and which ones?

Answer: Metro did and will continue to consider all cooperative purchasing opportunities permitted by law. Metro will also continue to explore how best to leverage it's spend with other municipalities and the state.

Question: What criteria was used in selecting NIPA?

Answer: Shared objectives and needs.

Statement: Automatic Elevator, Inc. is a small woman-owned business. As such, we have serviced Metro elevators for 38 years. Our past experience makes it evident that AEI is competent to handle this work. Our lawyer has stated that we are excluded from bidding this contract by the conditions of the RFP.

Question: Is it the intent of Metro to exclude Automatic Elevator, Inc. from bidding this work?

Answer: Absolutely not. This RFP is for national coverage and all providers of this service may propose if they can meet this performance requirement. If national coverage is not possible, subcontracting opportunities are present to meet a national firm's coverage in the Nashville or in other city markets. In fact, both the Small Business Incentive program and the Minority and Woman Business Assistance Program encourage this approach.

Question: Would AEI be considered responsive if they bid the local portion of the RFP?

Answer: National coverage is a requirement for the RFP as a prime contractor. However, if a local firm is proposed as the local service provider, this approach will be responsive.

Question: How does Metro reconcile the conditions of the RFP with their initiative to use small MBE and WBE?

Answer: It reflects the Council's adoption of the Metro Code, Title 4, Procurement Code. Specifically, Chapter's 4.44. Assistance To Small And Disadvantaged Businesses and 4.46. Procurement Nondiscrimination Program

Question: Why does Metro feel that it is more important to help other governmental agencies bid work than to allow free access to work by local companies?

Answer: By combining the potential cooperative purchasing power of many public agencies, Metro believes we position ourselves to access the best overall pricing and quality – Best Value.

Question: AEI has diligently worked to be approved by Metro as a WSBE. What advantage has this given us? So far, NONE! We do not even have a level playing field.

Answer: The office of the Metro Purchasing Agent would be a more fitting forum for discussion of this matter.

Question: Does Metro intend to use NIPA on other purchases in the future?

Answer: Metro did and will continue to consider all cooperative purchasing opportunities permitted by law. Metro will also continue to explore how best to leverage it's spend with other municipalities and the state.

Statement: The RFP states that the estimated national contract value of bid would be \$25 million dollars. (This amount would assume adding a total of 167,000 elevators with an average billing of \$150.00 per month.) Using the formula amounts listed in the RFP of 2.5% for administrative costs to be paid by successful bidder to NIPA, that would result in the amount of \$625,000 to NIPA per year. The percentage that I heard discussed that Metro would get from this \$625,000 is .125%. If this is correct, Metro would get \$781.25 per year.

Question: Are these numbers correct?

Answer: The national volume under the resulting contract is estimated to be \$25 million, however no commitments are made regarding this estimate. The administrative fee requested in the RFP for National IPA is certainly open for alternative proposals from respondents based on their overall understanding of the RFP and the resulting opportunity. Nashville will receive a portion of the administrative fee for its efforts to establish and manage a national cooperative contract in conjunction with National IPA, although the amount stated in the question is not accurate. In addition, any amount that Nashville receives for its management of a national cooperative agreement is not a component of the RFP requirements to be considered by respondents.

Statement: The RFP estimates the value of the Metro maintenance contract at \$20,000 per month. Any contractor bidding this work would surely add the cost of NIPA's administrative costs to their price. \$20,000 multiplied by 2.5% is \$500.00. If this is added to the annual maintenance costs, it would appear to me that Metro would net an income of \$281.25 per month from this alliance.

Question: Are these numbers correct?

Answer: The amount stated in the question is not accurate. However, a logical assumption would be that administrative costs charged by National IPA would be considered by all proposers. However, the potential sales benefit would be that the proposers are not competing for each local governmental entity on individual procurement basis but rather competing one time for a national sales opportunity.

Statement: At the pre-proposal conference, AEI brought up several questions about the RFP. We were informed that our questions were out of order and that this was not the proper forum for questions about the RFP.

Question: What do you consider to be the proper forum for asking these questions?

Answer: The pre-proposal meeting was specific to the procurement at hand. The redirection of discussion was away from the debate on the decision to participate in a cooperative procurement to the solicitation for which the pre-proposal was called.

A more appropriate forum to discuss the cooperative purchasing strategy would be to meet with the Metro Purchasing Agent or an administrative venue might be to protest the solicitation. That process is outlined in the Procurement Code and Procurement Regulations.

Question: When can we expect replies?

Answer: The responses to these questions are contained in this RFP amendment response to the questions.

Question: How will the maintenance pricing be extended nationally? In the pre-bid when this issue was raised, the National IPA representative explained that this is a proposal and we as the experts should propose how pricing will be extended nationally. What role will national pricing play in the evaluation process?

Answer: The costing page (excel spreadsheet) provides the format for price submission. Nashville is conducting this evaluation and National IPA is not a voting member of the evaluation committee. As a result, the Nashville price will serve as the basis for the award and the benchmark for all other cities (states). If Nashville Tennessee has a rate of \$10.00 and in Chicago, IL the union presence means a 15% increase, their price would be $\$10.00 \times 115\% = \11.50 . If Texas is a highly competitive locality and the competition would drive the cost down by 5%, their price would be $\$10.00 \times 95\% = \9.50 .

Question: What role, if any, will National IPA play in the evaluation of this proposal?

Answer: National IPA is providing the framework for this cooperative purchasing program (similar to US Communities, WSCA, or MMCAP). National IPA is not a voting member of the evaluation committee

Question: In several sections of the RFP (Page 6, Page 52), it is referenced that the estimated annual dollar volume purchased under the Master Agreement will be \$25 Million. How was this dollar volume estimated? This number appears to be overly optimistic from our experience. For example, Metro has estimated the annual contract to be worth of \$240,000 per year. By our calculations, over 100 additional qualified agencies the size of Metro would have to join the contract for it to grow to this volume. If this is even possible, it would take many years to grow the contract to this size. What is Metro's expectation for the dollar volume of this contract?

Answer: Metro can only forecast what it anticipates could be Nashville's cap, however, it is hoped that the cost will in fact be less. As for the national estimates, it was based on the potential that we

see. We make no claims on that national estimate. If you have experience in a national program, your estimates may be the best for the potential as you develop your response to the RFP.

Question: On page 29, Section 5, the contractor is responsible for machine shop service facilities within a 50 mile radius of any equipment being serviced on the contract. Is this requirement intended to be extended to any equipment added to this contract nationally?

Answer: Any Participating Public Agency would specify its locations for the awarded vendor at the time they chose to utilize the agreement.

Question: How does Metro intend to extend the percentage of SMWBE business on a national scale? In the pre-bid, when this question was raised, it was stated that SMWBE participation was only for local participation and was not required on the national level. Please confirm this in writing, as the bid documents do not make this clear. Also, please detail any additional sections of the RFP which are only applicable to the local and not national portion of the contract.

Answer: Evaluation of Small Business Participation will be limited to the amount of small business commitment offered for the Metro Nashville portion of the RFP. Small Business participation on a National level has not been requested. As indicated in the RFP, the Procurement Nondiscrimination Program Requirements are applicable solely to the Metro Nashville portion of the RFP.

Question: Under section 1.4 of the National IPA requirements, it states that the basis for Award on the National IPA will be made through the Award given by Metro. It also states that if multiple suppliers are awarded by Metro, those same suppliers are required to extend the master agreement nationally. Is it Metro's intention to award this contract to one contractor or to multiple contractors?

Answer: One, however, the door was left open in case a national Proposer did not submit a local provider but rather preferred Metro contract locally. This is not the scenario we believe will develop.

Question: Is National IPA required to have multiple respondents to the RFP in order to award a contract on a national basis considering the requirements under page 53 for providing a competitively solicited bid?

Answer: Metro's laws and regulations govern the competitive process. However, we anticipate multiple proposers and are encouraging this.

Question: On page 59, Item 10, under Exhibit B, the supplier shall pay national IPA an administrative fee in the amount of an undetermined percentage of the total purchase price. Is there a minimum percentage the supplier is required to pay? Furthermore, is this percentage an evaluation criterion? In the pre-bid it was explained that this percentage will not be considered in the evaluation and as a proposal this is up to us to propose. If this is not part of the evaluation, then is it acceptable for the supplier to list 0%? Is Metro guaranteed a percentage from National IPA regardless of percentage paid to National IPA from the supplier?

Answer: As stated in the in the RFP, Attachment E, Exhibit A - National IPA Request for Proposal, Section 1.2, 5th paragraph there is a 2.5% administrative fee. The administrative fee requested in the RFP for National IPA is certainly open for alternative proposals from respondents based on their overall understanding of the RFP and the resulting opportunity. Nashville will receive a portion of the administrative fee for its efforts to establish and manage a national cooperative contract in conjunction with National IPA. Please reflect that cost of doing business in your rates submitted on the cost evaluation spreadsheet. As you present the percent change (+/-) for the other states, this cost should be considered.

Question: Under the National IPA requirements, Page 56, Section 3.3 item M, NIPA is requiring the supplier to guarantee contract sales for the initial 3 years of the master agreement. Is there a minimum guarantee amount required? What role does this guarantee play in the evaluation process? What happens if the contractor does not meet the guarantee?

Answer: A respondent may enter zero, there is no minimum amount required. This is not a scored component of the RFP. If a contractor commits to a guarantee amount and the contract guarantee amount is not met by the end of the contract anniversary, the contractor pays the difference between guarantee and actual sales.

Question: Due to the unanswered questions surrounding this RFP and the time required to produce an effective national strategy, would Metro consider extending the bid due date and allow for an extended time of follow up questions?

Answer: Yes, we will allow questions to be submitted for four additional business days from the distribution of these questions. Proposals are due ten days after the distribution of the final responses (amendment no.2 if needed).

Deadline for submitting questions pertaining to this procurement is 11/5/2010. The revised bid due date for this RFP shall be 11/15/2010 unless additional question submittals warrant an additional extension. Time and location for submittals shall remain the same as set forth in the RFP.

END OF AMENDMENT NO. 1