




REQUEST FOR BID
RFB 2007-019

ADDENDUM NO. 2

To: Prospective Bidders

From: Llew F. Perry 
Director of Procurement
Cooperative Educational Services (CES)

Date: July 7, 2007

CES has received the following questions regarding RFB 2007-019 by telephone, mail and/or e-mail. Please accept the following as responses to the questions submitted.

Submitted by: Gabriel García
Triple M Recreation, LLC.
596 Coronado Road
Corrales, NM 87048
gabrielgarcia@comcast.net

Question 1:

I have another question for you. We will not be offering installation services; we will bid proposing to supply equipment only. Am I correct in assuming that the \$25,000 Bid Bond will not be required in this case?

Background:

RFB 2007-019, Section II Scope of Work and Specification, Item E: Special Bid Security, Paragraph 1, Page 42.

“New Mexico Procurement Code requires that all competitive sealed bidding for construction have a bid security. The amount of the bid security bond for this RFB is Twenty-Five Thousand Dollars (\$25,000). It must accompany the RFB submittal and be placed behind Tab 1.”

CES Response:

Under New Mexico Law all bidders responding to RFB 2007-019 must include a Twenty-Five Thousand (\$25,000) Bid Security. If a response does not include the required bid bond, the response will be considered non responsive.

Submitted by: A K Sales and Consulting Inc.
1200 San Juan Dr.
Roswell, NM 88201
akmoyle@yahoo.com

Question 2:

The question we discussed previously regarding Category 2 Installation of Food Service Equipment Design and/or remodeling of food service areas. We believe that we should be able to bid Interior Systems Inc. cafeteria remodeling in this section but since the portion that we are bidding would never meet a project price of \$500,000.00 we feel that the performance and payment bonding capacity of \$500,000.00 is excessive for this product only. Can an exception be allowed when bidding something other than the kitchen equipment?

Background:

RFB 2007-019, Section II Scope of Work and Specification, Categorical Scope of Work, Page 66.

“CES presently has contracts that allow members to purchase food service equipment from various manufacturers. In many cases, the member is able to install this equipment themselves with their own licensed maintenance staff. However, in smaller institutions they may not have the licensed staff. When a large purchase is involved (in a new school or big renovation project), the member may request that professional factory certified installers be used. To meet its members’ needs, CES is seeking an offeror(s) with a product line of commercial food services equipment, machinery, utensils and supplies. Also, the offeror must provide installation, related services and maintenance of the products being proposed, repair services and maintenance of existing kitchen equipment and refrigeration units. Service personnel shall be factory authorized/certified and fully licensed workmen. Items proposed shall be equal to or exceed the specifications listed herein.”

RFB 2007-019, Section II Scope of Work and Specification, Categorical Terms and Conditions Paragraph 1, Page 68.

“The offeror must be able to meet the special procurement requirements of construction projects and possess a performance and payment bonding capacity of Five Hundred Thousand Dollars (\$500,000) for any one project.

A letter from a New Mexico approved surety company indicating bonding ability and capacity must be included with this bid response. Place after Tab 4.”

CES Response:

Based on the categorical scope of work and the products and services being requested the Five Hundred Thousand Dollar (\$500,000) bonding capacity is required to ensure the respondent has the financial capacity to perform under any contract awarded under this category. Yes, if a respondent does not demonstrate they do not have the required bonding capacity, their response will be considered non-responsive.

Question 3:

Category 7 page 150 of the Cost Evaluation Information 1d states that we should indicate the percent of overhead and/or markup to be added to these costs to obtain the RETAIL COST on which the CES Discount can be taken. This seems to contradict the form which asks for the markup to cost. Is cost = to retail? Should we include the % markup before or after the CES discount is applied?

Background:

RFB 2007-019, Section II Scope of Work and Specification, Category 7, Categorical Cost and Price Submittal, Paragraph 9, Page 150.

“In order to establish costs not covered by the offeror’s price schedules submitted as part of its response, CES has established in this RFB, alternative methods for procuring and pricing these products and services offered. The offeror must provide the requested information relating to these methods and its CES discount of each.”

RFB 2007-019, Section II Scope of Work and Specification, Category 7, Cost Evaluation Information Paragraph 1, Items d and e, Page 150.

- “d. Alternative Methods of Costing – These methods include the custom manufactured items, items not covered by other methods and sole source. Offeror is to indicate the percent of overhead and/or markup to be added to these costs to obtain the retail cost on which the CES discount can be taken to achieve CES price. Note does not include R. S. Means method.”
- “e. CES Discount Off Alternative Method of Costing to Obtain CES Prices. This represents the percent of discount that is taken off the standard price (item cost plus percent of profit/overhead equals standard price) to obtain the CES price. Example: item cost \$1,000, percent of profit/overhead 20%, equal standard price of \$1,200, less the CES discount 10% \$100 equal the CES price of \$1,100.”

CES Response:

Only when the alternative method of pricing is utilized to determine the CES price, does the percentage of overhead and markup being bid is utilized. Once the retail price has been established the CES discount for the alternative method is applies to acquire the CES price. There is no conflict, however, the confusion is with the other pricing methods which require a discount off either R.S. Means and published price sheets/lists to acquire CES pricing.

If you have any questions regarding this Addendum, please contact my office.

By dating, signing, and returning this page, the offeror acknowledges receipt of Addendum No.2 (Please place behind Tab 1 of your response).

Date: _____

Company Name (Print): _____

Printed Name: _____

Signature: _____