



**REQUEST FOR BID
RFB 2008-001**

ADDENDUM NO. 1

To: Prospective Bidders

From: John N. Tortelli
Cooperative Educational Services

Date: September 28, 2007

CES has received the following questions regarding RFB 2008-001E by telephone, mail and/or e-mail. Please accept the following as responses to the questions submitted.

Submitted by: Sue
Farmington Construction
1030 Walnut Drive
Farmington, NM 87401

Pre-bid Meeting Conference in Albuquerque, NM on September 12, 2007 at 1:30 p.m.

Question 1:

Refer to page 12 of 108 RFB 2008-001E

Item 5 - if I understand this is in reference to the answer to question 4 if the response was yes - there is no c) or d)

Background:

RFB 2008-001E, Section 1: BID SUBMISSION, Item 4: Offeror Qualifications, item 5 on page 12.

- 3) Are there any judgments, claims, arbitration proceedings, suits or disputes pending or outstanding against your company or its' officers in New Mexico or any other jurisdiction?

- 4) Has your company filed any law suits or requested arbitration with regard to construction contracts within the last five years?
- 5) If the answer to items c) or d) above is yes, please provide complete details, including but not limited to:
 - a) Name and location of project owner
 - b) Name and location of project architect
 - c) Name and location of project
 - d) Nature of and amount in dispute
 - e) Forum in which dispute was presented, that is AAA arbitration; mediation; district court (state, file name, and number)
 - f) Manner in which dispute was resolved

CES Response:

Change From:

- 5) If the answer to items c) or d) above is yes, please provide complete details, including but not limited to:

Change To:

- 5) If the answer to items 3) or 4) above is yes, please provide complete details, including but not limited to:

Question 2:

On page 48, Section M-3. “ CES will not make any payment until copies of the Notification of Award, Statement of Intent to Pay Prevailing Wages....”. Will wage rate be required for projects under \$60,000?

Background:

RFB 2008-001E, Section II: Scope of Work and Specifications, Item M: New Mexico State Wage Rate Documentation, Page 48.

“CES will not make any payments until copies of the Notification of Award, Statement of Intent to Pay Prevailing Wages and, for projects \$25,000 or greater, the Payment and Performance Bond, are received by CES. **Final payment will not be released** until CES receives a copy of the Affidavit of Wages Paid.”

CES Response:

Change From:

“CES will not make any payments until copies of the Notification of Award, Statement of Intent to Pay Prevailing Wages and, for projects \$25,000 or greater, the Payment and Performance Bond, are received by CES. **Final payment will not be released** until CES receives a copy of the Affidavit of Wages Paid.”

Change To:

“CES will not make any payments until copies of the Notification of Award, Statement of Intent to Pay Prevailing Wages for projects \$60,000 or greater and, for projects \$25,000 or greater, the Payment and Performance Bond, are received by CES. **Final payment will not be released** until CES receives a copy of the Affidavit of Wages Paid.”

Submitted by: R. John Emershaw
Centennial Contractors Enterprises, Inc

Question 3:

Can each region have a separate RS Means coefficient? How will you evaluate competing proposals that may cover different regions?

Background:

RFB 2008-001E, Section II: Scope of Work and Specifications, Category O, RFB Special Terms and Conditions, Page 49.

The terms and conditions listed below apply to all categories of this RFB. Each category will contain additional terms, conditions and specifications, which are in addition to these. If there is a conflict between categorical terms and conditions and those listed below, the categorical terms and conditions will take precedence.

1. New Mexico is a large state geographically. For this solicitation CES is dividing the state into seven (7) service regions. Offerors will be required to indicate within their response which of these service regions of the state they wish to provide services to, and prioritize the areas in order, the areas that your firm intends to concentrate its efforts if given an award. The seven service regions are described below.
 - a. **Region One (1)** – Aztec, Bloomfield, Central, Dulce, Farmington and Jemez Mountain school districts.
 - b. **Region Two (2)** – Chama Valley, Española, Mesa Vista, Peñasco, Pojoaque Valley, Questa, Santa Fe and Taos school districts.
 - c. **Region Three (3)** – Cimarron, Clayton, Des Moines, Las Vegas City, Maxwell, Mora, Mosquero, Pecos, Raton, Roy, Springer, Wagon Mound and West Las Vegas school districts.

- d. **Region Four (4)** – Albuquerque, Belen, Bernalillo, Cuba, Estancia, Gallup-McKinley, Grants-Cibola, Jemez Valley, Los Alamos, Los Lunas, Magdalena, Moriarty, Mountainair, Quemado, Rio Rancho, Socorro and Zuni school districts.
- e. **Region Five (5)** – Clovis, Corona, Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, Portales, San Jon, Santa Rosa, Texico, Tucumcari and Vaughn school districts.
- f. **Region Six (6)** – Alamogordo, Animas, Capitan, Carrizozo, Cloudcroft, Cobre, Deming, Gadsden, Hatch Valley, Hondo Valley, Las Cruces, Lordsburg, Reserve, Ruidoso, Silver City, Truth or Consequences and Tularosa school districts.
- g. **Region Seven (7)** – Artesia, Carlsbad, Dexter, Eunice, Hagerman, Hobbs, Jal, Lake Arthur, Loving, Lovington, Roswell and Tatum school districts.

CES Response:

Yes, a respondent may submit a response for separate RS Means coefficient by region. A revised Form D-1 is attached to submit with your response.

In the revised Form D-1, the respondents have a space to provide a response for each cost item by region. Each region will be evaluated independently for award. Based upon the evaluators' recommendations, each region may have multiple awards.

Question 4:

Can each region have a minimum and maximum dollar amount regarding project size?

CES Response:

Each region will not have a minimum or maximum dollar amount regarding project size. If a project is funded with Public School Facility Authority (PSFA) funds, PSFA will need to approve any project exceeding at or exceeding \$500,000.

Question 5:

Can Division 1 be utilized on a case by case basis with approval from both the owner and CES?

Background:

RFB 2008-001E, Section II: Scope of Work and Specifications, Category O, RFB Special Terms and Conditions, Page 49.

- B. If there are goods and services provided under this contract that are not covered by R.S. Means, then the cost of these items will be calculated by utilizing the alternative costing method defined herein. Any items not covered by R.S. Means must be obtained by issuing, receiving and evaluating three (3) written quotes which shall be submitted in advance and approved by the CES member prior to being included into any final contract documents.

CES and its members reserve the right to accept or reject any quote or proposal including such items and may obtain these items through other procurement means (existing CES contracts). The CES price will be determined by utilizing two percentages.

1. Based on the most advantageous and cost effective quote received by the contractor. The contractor will apply its normal and customary overhead and profit percentages to the total cost submitted by the subcontractor and add that amount to obtain the normal and customary retail price. (Item cost multiplied by percent for overhead/profit equals the amount of profit and overhead to be added to item cost equal retail price).
2. Taking the normal and customary retail price as established in item 1 above, the contractor will apply the CES discount percentage and subtract this amount from the normal and customary retail price to obtain the CES price. (Items retail price multiplied by percent of CES discount equals the amount of discount to be subtracted to obtain CES price).

CES Response:

CES recognized from time to time that special needs arise that are not anticipated by the owner or contractor. The Alternated Method of Costing is to handle these types of occurrences.

Question 6:

Do we need to provide rates for trades people and mileage; per diem, etc. per paragraphs D & E on page 64?

Background:

RFB 2008-001 E, Section II: GB98 General Construction Services, Price and Cost Submittal, Page 64.

- D. In most projects covered under this bid, labor costs are included as part of the R.S. Means construction item costs and/or the offeror's R.S. Means multiplier/factor. However, a situation and/or project condition may arise that the contractor is asked by the CES member to provide the services of qualified, trained and experienced tradesmen and/or labors for example to assist their own crews on completing an owner self-performed project. Therefore, the offeror is asked to provide state and non-state labor rates for listed positions. Labor rates provided must include all employer costs, benefits, overhead and profit.
- E. Cost evaluation will be based on a point system with points being awarded for being low to high bidder for each cost evaluation item, that is, contractor, discount off R.S. Means, overhead and profit percentage markup, mileage charge, per diem rate, travel time, etc. If an offeror leaves out an item that is required, CES will allot zero (0) points to that item, and if awarded a contract, cannot be used in providing products or services. The low bidder will receive the full point value and all other bidders will receive points calculated as follows:

(Lowest Bid / Other bid) x point value

CES Response:

On page 63 under Prices and Cost Submittal, A, 1, a-e, specified what is required for cost submittal. In A, 1, "...Please note that costs relating to non-construction items/assemblies (general condition items) such as season of the year; home office costs; insurance; project management and supervision; office and storage trailers; pickup trucks, mileage, per diem, transportation/delivery; safety equipment, weather conditions, etc., must be included as part of the contractor's multiplier/factor to be applied to the R.S. Means cost proposal to achieve the CES cost for the project..." The bidder needs to account for mileage, per diem, etc in multiplier/factor to be applied to the R.S. Means cost proposal to achieve CES cost for project.

Submitted by: Mike Baker
Baker Construction Co. Inc.
PO Box 92227
Albuquerque, New Mexico 87199

Question 7:

The bid states that the RS Means bids cannot include things like supervision, project management, temporary facilities and other General Conditions. These items can be equal to, or greater than the actual markup of a project. They also are variable depending on the project. Some expensive, but quick jobs have less General Conditions costs (as a percent) than a cheaper, but longer lasting project.

As a General Contractor we must markup the Means costs for subcontractors as well as our own work. Is there somewhere on the bid where we put our markup?? Are the Markup & General Conditions costs meant to be part of the RS Means multiplier found on the bid (page 73)?? If so, at least in our case, that multiplier will most likely be over 100%. Alternately, there are line items in the Means pricing standards where markup can be inserted. Do we include our markup, including costs for General Conditions, under a Means line item, then offer a discount on the bid form on page 73?

Background:

RFB 2008-001 E, Section II: GB98 General Construction Services, Price and Cost Submittal, Page 63-65.

Price and Cost Submittal

- A. The R.S. Means Company publishes a CD Rom and books covering the areas specified in the General Terms and Conditions of this RFB. The current CD/books will be the basis for all quotes and proposals.
 - 1. For individual construction cost items within the R.S. Means cost-book (including labor, overhead and profit) will be charged the member for construction items. Please note that costs relating to non-construction items/assemblies (general condition items) such as season of the year; home office costs; insurance; project management and supervision; office and storage trailers; pickup trucks, mileage, per diem, transportation/delivery;

safety equipment, weather conditions, etc., must be included as part of the contractor's multiplier/factor to be applied to the R.S. Means cost proposal to achieve the CES cost for the project. Note the following:

- a. When using the R.S. Means assembly cost items, the contractor must for each individual cost item/assembly indicate and document any of the R.S. Means special factors that are applicable, including factors affecting cost, quality of materials, productivity of labor force, size of project and location.
 - b. No R.S. Means (General Conditions Items) such as contract management/supervision, home office costs, travel, per diem, pickup trucks, office trailers, storage facilities etc., are to be included in a project's cost proposal unless it has been requested and approved by the CES member.
 - c. Any costs associated with permits, state gross receipts and tribal taxes, performance and payment bond costs and other applicable reimbursable cost approved in advance by the member will appear as separate line items on the contractor's quote/proposal.
 - d. As noted above the most recent edition of the R.S. Means will be utilized and this will adjust for inflation, material cost and labor rates effective January 1 of each year
 - e. The contractor's R.S. Means bid factor/multiplier will be adjusted on the contractor's CES contract anniversary date by applying the escalation/de-escalation as measured by the Construction Cost Index (CCI) published in the ENR (formerly known as Engineering News and Record).
- B. If there are goods and services provided under this contract that are not covered by R.S. Means, then the cost of these items will be calculated by utilizing the alternative costing method defined herein. Any items not covered by R.S. Means must be obtained by issuing, receiving and evaluating three (3) written quotes which shall be submitted in advance and approved by the CES member prior to being included into any final contract documents. CES and its members reserve the right to accept or reject any quote or proposal including such items and may obtain these items through other procurement means (existing CES contracts). The CES price will be determined by utilizing two percentages.
1. Based on the most advantageous and cost effective quote received by the contractor. The contractor will apply its normal and customary overhead and profit percentage to the total cost submitted by the subcontractor and add that amount to obtain the normal and customary retail price. (Item cost multiplied by percent for overhead/profit equals the amount of profit and overhead to be added to item cost equal retail price).
 2. Taking the normal and customary retail price as established in item 1 above, the contractor will apply the CES discount percentage and subtract this amount from the normal and customary retail price to obtain the CES price. (Items retail price multiplied by percent of CES discount equals the amount of discount to be subtracted to obtain CES price)
- C. If products or services are required as part of the performance under this contract that can only be obtained and/or manufactured from a single source and fall under the sole source provision of the New Mexico Procurement Code (13-1-126), the contractor must provide CES with the necessary documentation to substantiate the purchasing method.
- D. In most projects covered under this bid, labor costs are included as part of the R.S. Means construction item costs and/or the offeror's R.S. Means multiplier/factor. However, a situation and/or project condition may arise that the contractor is asked by the CES member to provide the services of qualified, trained and experienced tradesmen and/or labors for

example to assist their own crews on completing an owner self-performed project. Therefore, the offeror is asked to provide state and non-state labor rates for listed positions. Labor rates provided must include all employer costs, benefits, overhead and profit.

- E. Cost evaluation will be based on a point system with points being awarded for being low to high bidder for each cost evaluation item, that is, contractor, discount off R.S. Means, overhead and profit percentage markup, mileage charge, per diem rate, travel time, etc. If an offeror leaves out an item that is required, CES will allot zero (0) points to that item, and if awarded a contract, cannot be used in providing products or services. The low bidder will receive the full point value and all other bidders will receive points calculated as follows:

$$(\text{Lowest Bid} / \text{Other bid}) \times \text{point value}$$

Cost Evaluation Information

A. General Cost Items

1. Performance and Payment Bond Costs – This represents the cost the contractor incurs to provide a performance and payment bond to the member for an individual project when it is required. The offeror is to indicate the percentage rate charged on the total cost of an individual project to obtain a bond, and the documentation to substantiate the rate, that is, two percent (2%).
2. Bonding Capacity – This represents the offeror’s maximum level of bonds that it can obtain at any one time. Offeror is to indicate its bonding capacity and provide documentation from a surety company to substantiate the amount.
3. Alternative Method of Costing – percentage of overhead and profit. This method includes custom manufactured items, items not covered by other R.S. Means or sole source items. Offeror is to indicate the percent of overhead and/or markup to be applied to these costs to obtain the retail cost. Note that this percentage has no relationship to the R. S. Means costing method indicated above.
4. Alternative Method of Costing - Percentage of CES discount to obtain CES Price. (Item retail price multiplied by percent of CES discount equals amount of discount to be subtracted from retail price to obtain CES price). Example: Item retail cost \$1,200 multiplied by percent of 10% CES discount equal discount of \$120. Retail cost \$1,200 less the CES discount \$120 equal the CES price of \$1,080. Note this percentage has not relationship to the percentage of discount of manufacturer’s/suppliers price sheets or catalogs indicated below.
5. Offeror’s Bid Factor/Multiplier off R.S. Means costing of products and services relating to construction projects during **Normal Hours** (Monday through Friday 7:30 a.m. to 4:30 p.m.) and not covered by other costing methods.
6. Offeror’s Bid Factor/Multiplier off R. S. Means costing of products and services relating to construction projects during **Outside Normal Hours** (Monday through Friday 4:30 p.m. to 7:30 a.m., Saturday and Sunday) and not covered by other costing methods.
- g. Offeror’s Support for CES Pricing – This is the percent of difference between what the offeror’s price to CES and the price that the offeror would offer the same products directly to any public educational institution in New Mexico. The offeror’s CES

price is \$100, the offeror's direct price to CES members is \$103. The difference is 3% percent.

2. Labor Rates – Hourly rates for individual(s) who perform services on an as-needed basis specializing in the following areas. Rates provided must be loaded (includes benefits, payroll taxes, overhead and profit).
 - a. Project Design/Development Consultant – A professional with experience and background in surveying, evaluating, consulting, designing and developing proposed solutions as pertain to this bid.
 - b. Labor rate certified draftsman to develop and provide project documentation.

CES Response:

In response, the bidder is to fill out Form D-1 with all costing information. Form D-1 has been revised; see Question 3 of this addendum.

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.1 (Please place behind Tab 1 of your response).

Date: _____ Company Name (Print): _____

Printed Name: _____ Signature: _____