

**PROCUREMENT DEPARTMENT**  
Rm 120 Municipal Services Building  
Philadelphia, PA 19102-1685  
FAX: (215) 686-4716

## **CITY OF PHILADELPHIA**

Mary E. Stitt  
Procurement Commissioner

September 3, 2015

**BID NUMBER:** S6YT1040  
**TITLE:** Fire Boat Refurbishing Services  
**DEPARTMENT:** OFFICE OF FLEET MANAGEMENT  
**DATE TO OPEN:** September 09, 2015 at 10:30 AM

### **ADDENDUM # 1**

#### **TO ALL BIDDERS:**

**You are hereby notified of the following changes to the above mentioned bid:**

**Below are questions and answers from the mandatory pre-bid meeting held on Wednesday, August 26, 2015. Only attendees are eligible to bid.**

#### **Question #1**

##### **ADD ON WORK (4.1.4)**

How are services (listed in 2.5.1.1/ 2.5.2.1) charged for add on work (listed in 2.2.1, 4.1.4, and 2.6.3)? Specifically, when pricing change orders, can we charge for lay days on the dry-dock, crane service, forklift service, electric service, staging, blasting equipment, fire watch and supervision? These are customary charges in the shipyard industry and are never included in overhead. It would not be reasonable to include these costs in our labor rate without knowing the amount of usage. We propose to list the costs for these services separately so that they are agreed in advance.

#### **Answer #1**

This is standard contract language that adds on new services not covered by the bid: for example if we purchased a new boat that had to be added to the bid. This does not allow for additional services to be added to a change order job.

#### **Question #2**

##### **TOOLS (1.10.2)**

Is there an item for load testing generators? We only see an item for megger testing generators. Are all rentals for change orders paid the same as subcontracting costs with a 5% mark up?

**Answer #2**

There is a line item for load testing generators under the Independence 2.5.2.8. This cost should be inclusive of any rental charges for equipment to complete the task. There is no line for load test in the other two boats. In the case of those boats, the mark up on tools would allow for the rental of those tools not under the vendor's ownership that it must rent. This is considered a pass through cost and will have a 5% markup.

**Question #3**

**SUBCONTRACTING (2.4)**

The solicitation specifies a markup of 5% on subcontractor invoices for add on work. The standard in the industry is 25% - 35% mark up. Subcontract work in a shipyard is never just a "pass through" item. It is necessary to direct, manage, and inspect work progress on a daily basis in order to maintain quality control. We propose to allow for a 25% markup.

**Answer #3**

The 5% is an administrative fee for the purpose paperwork processing and managing the subcontractor as the awarded vendor is not actually doing the work, but overseeing.

**Question #4**

**AUTHORIZATION PROCEDURES (2.2)**

What is the time frame for the City to approve change orders? Will the City pay for lay days on dry-dock and other services charged due to a delay by the City?

**Answer #4**

Laydays will not be charged while the change orders are in negotiation.

**The City of Philadelphia reserves the right at this time not to accept any additional questions for Invitation and Bid #S6YT1040.**

Please sign, date and return this addendum with your bid to the Procurement Department, 1401 J.F.K Boulevard, Bid Room 170A, Philadelphia, PA 19102-1685 as it now becomes a part of the proposal.

  
J. Manton, Buyer

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
FIRM NAME (PRINT)

\_\_\_\_\_  
DATE

JM/dr