



GUAM WATERWORKS AUTHORITY

“Better Water. Better Lives.”

Gloria B. Nelson Public Services Building

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GWA IFB No. 2018-12 relative to Heavy Equipment Lease

RESPONSE TO INQUIRIES NO. 2

This Addendum and Response to Request for Information (RFI) is issued to modify the previously issued bid documents and/or given for informational purposes and to the extent the responses below modify the bid documents, please treat them as an amendment to the Bid. The following responses are in response to RFIs received from potential bidders on **July 16, 2018**

	REFERENCE:	QUESTION/INQUIRY AS SUBMITTED:	GWA RESPONSE:
Questions from July 16, 2018			
	1.	<p>Delivery (pg 8): Response to Question # 3 dated 14 June 2018 We re-iterate the fact that New equipment manufacture lead times are increasing due to the large volume of orders currently processing in the USA market. New Equipment lead times may be as long as 7 – 13 months as of this date and further manufacture date extensions are highly likely.</p> <p>Question # 1: We requests for GWA to re-evaluate their response to vendor question # 3 and agree to a realistic delivery time frame, a vendor can deliver NEW EQUIPMENT as per GWA IFB 2018-12, which is between 210 – 400 days.</p> <p>We request New equipment supply times be accepted at 210-400 days.</p>	<p>Under MINIMUM QUALIFICATIONS Page 8, entitled, Delivery has been</p>

		<p>Question # 2: Will GWA accept similar USED equipment of similar specification for operation as temporary supply until new equipment arrives Guam?</p>	<p>amended to now read seven (7) months (210 days.)</p> <p>Yes, USED equipment of similar specification for operation as temporary unit until new equipment arrives if arrival is beyond the 210-day delivery time.</p>
2.		<p>General (pg. 13): Response to Question # 15. dated 14 June 2018 The response term provided by GWA regarding “Downtime” is partially acceptable.</p> <p>However, repair within a limited time, is not practical or achievable in some cases, due to the Guam’s logistically remote area.</p> <p>We initial request for the below repair item is a reasonable request for heavy equipment repair, due to Guam’s location and possible spare parts shipment time required for repair, that are not stocked on Guam.</p> <p>To restate our request: Repair within 120 hours (5 days) NOT including holidays, Saturdays and Sunday”. Vendor request this term is accepted by GWA.</p> <p>We agree to the response term listed:</p> <ul style="list-style-type: none"> - “Vendor will be given the option of (a) furnishing like machine in lieu of delay charge. - We agree to the following term Like machine must be provided within 72 hours (3) days 	<p>Under SCOPE OF WORK, page 13, entitled Downtime: has been amended to now read: “...to effect a repair within five (5) days (excluding Saturdays, Sundays and Holidays) from the time the Vendor is notified...”</p> <p>GWA agrees to the following: (a) Furnishing like machine in lieu of delay charge. Like machine must be provided within 72 hours</p>

	<p>excluding Saturdays/ Sundays/Holidays.</p> <p>We do NOT agree to the response term:</p> <p>(b) deducting a pro-rata amount of the lease charge for each day the machine is unavailable to GWA and the difference (if any) between that sum and incurred hourly rental costs of a replacement machine GWA is required to obtain from another vendor because of the delay.</p> <p>We DO agree to a suggested modified term:</p> <p>(b) “deducting a pro rata amount of the lease charge for each day the machine is unavailable to GWA, after the 5 day(120hr) repair period has elapsed...(Not including Holidays , Saturdays, Sundays) Term as stated : Delay charges will not be incurred in the event the machine is unavailable due to a natural disaster. In the event the delay is caused by equipment failure or damage resulting solely from negligence by GWA operations personnel, GWA will be responsible for the cost of the repair, however vendor must provide either option (a) or (b)(modified) “is acceptable” as stated.</p> <p>Question # 3: Please confirm the above suggested modifications are acceptable.</p>	<p>(3 days) excluding, Saturdays, Sundays and Holidays, from the time the Vendor is notified</p> <p>GWA accepts the modifications.</p>
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	<p>3.</p>	<p>We request that remedies outlined by vendor suggested modifications Page 15, 16 and as above, will apply and are acceptable.</p> <p>Question # 4: Would these modifications be acceptable?</p>	<p>GWA accepts the modifications.</p>
	<p>4.</p>	<p><u>TERMINATION FOR CONVENIENCE (Pge 33)</u> If Item "Termination for Convenience" Sect 1. Termination. is to remain as per GWA response.</p> <p>Vendor request the following changes to Sect (4) Compensation (Page 34)</p> <p>"Termination for convenience" will result in GWA incurring a penalty for early termination, for convenience.</p> <p>The penalty will be, the cost of the equipment, plus overhead, plus margin.</p> <p>This penalty represents the equivalent of sale price of the equipment as new, at start of lease date.</p> <p>Question # 5: Please confirm the above terms are acceptable.</p>	<p>Termination for convenience damages available to the Vendor shall be limited to the following:</p> <p>a). any accrued but unpaid rental payments, late payment charges, and other amounts owed;</p> <p>b). the net present value of any unaccrued (future) rental payments at a discount rate of 4.5%;</p> <p>c). any adverse tax consequences suffered by the</p>


			<p>lessor as a result of the lessee's default and the premature cancellation of the lease;</p> <p>d). if the equipment is not promptly returned to the lessor, any fees and other costs incurred in the recovery of the equipment.</p>
	5.	<p>Liquidated Damages (pg. 36): Please refer to Item 1 DELIVERY, as stated above. (Please reference question # 1 on page 1) vendor requests for GWA to re-evaluate their response to vendor question regarding delivery. Delivery time frame of NEW EQUIPMENT of 210 – 400 days is the current world supply situation, for the GWA equipment specified, requested and listed.</p> <p>Question # 6: Will GWA adjust the delivery time stated for new equipment?</p>	<p>Under MINIMUM QUALIFICATIONS Page 8, entitled, Delivery has been amended to now read seven (7) months (210 days.)</p>
	6.	<p>Lease Payment (pg. 44): We request the following modified term be added. “Lease payment shall be billed under net 30 days payments on the same day of each month, at the start of the lease term.”</p> <p>Question # 6: Please confirm this revised payment term is acceptable.</p>	<p>Under IV. SPECIAL PROVISIONS, page 42, entitled, Lease Payment has been amended to now read as follows: “Lease payment shall be billed under net 30 days payments on the same day of each month, at the start of the lease term.”</p>

	7.	<p>Sample Agreement (pg. 50): We suggest that GWA agree to joint negotiations with the successful bidder for an industry standard lease contract agreement to be negotiated and accepted by leasee and lessor parties, and GWA legal counsel if required.</p> <p>A sample lease agreement is attached for your reference.</p> <p>The current GWA SAMPLE AGREEMENT as provided for Operating Lease and Maintenance agreement between Guam Waterworks and ----- For equipment lease has a large number of items and terms that require negotiation and adjustment.</p> <p>Question # 7: Will GWA agree to joint negotiations with the successful bidder for the lease contract?</p>	<p>GWA is willing to negotiate an industry standard lease contract, provided that the terms and conditions incorporated into the procurement documents, including the language contained in the modifications proposed and accepted herein, can also be incorporated into a final lease document.</p>

Bidders are also notified to visit GWA website: www.guamwaterworks.org to ensure that addenda to the bid, answers to questions, and reminders are communicated to all bidders throughout the solicitation process.

07-26-2018

Date



Miguel C. Bordallo, P.E.
General Manager