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**SAN ANTONIO WATER SYSTEM PURCHASING DEPARTMENT**

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**Issued By: Angeline C. Peralez**  
**BID NO.: 12-0403**

**Date Issued: July 27, 2012**

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**FORMAL INVITATION FOR BEST VALUE BIDS (BVB)  
FOR NOVELTY ITEMS & PROMOTIONAL TYPE CLOTHING  
ADDENDUM 1**

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Sealed bids, one (1) Original and seven (7) copies, addressed to the Purchasing Manager, San Antonio Water System, 2800 US Hwy 281 North, P.O. Box 2449, San Antonio, TX 78298-2449 will be received until **3:00 p.m., August 7, 2012** and then publicly opened and read aloud for furnishing materials or services as described received herein below,

The San Antonio Water System Purchasing Department is willing to assist any bidder(s) in the interpretation of bid provisions or explanation of how bid forms are to be completed. Assistance may be received by visiting the Purchasing Office in the SAWS Main Office, 2800 US Hwy 281 North, San Antonio, TX 78212, or by calling (210) 233-3819.

This invitation includes the following:

Invitation for Best Value Bids  
Terms and Conditions of Invitation for Bids

Specifications and General Requirements  
Price Schedule

The undersigned, by his/her signature, represents that he/she is authorized to bind the Bidder to fully comply with the Specifications and General Requirements for the amount(s) shown on the accompanying bid sheet(s). By signing below, Bidder has read the entire document and agreed to the terms therein.

Signer's Name: \_\_\_\_\_ Firm Name: \_\_\_\_\_  
(Please Print or Type)

Address: \_\_\_\_\_

Signature of Person Authorized to Sign Bid \_\_\_\_\_ City, State, Zip Code: \_\_\_\_\_

Email Address: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Please complete the following:

Prompt Payment Discount: \_\_\_\_\_% \_\_\_\_\_days. (If no discount is offered, Net 30 will apply.)

Please check the following blanks which apply to your company:

Ownership of firm (51% or more):

Non-minority  Hispanic  African-American  Other Minority (specify) \_\_\_\_\_

Female Owned  Handicapped Owned  Small Business (less than \$1 million annual receipts or 100 employees)

Indicate Status:  Partnership  Corporation  Sole Proprietorship  Other (specify) \_\_\_\_\_

Tax Identification Number: \_\_\_\_\_

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**\*\*\* This Addendum 1 is issued as a result of Mandatory Pre-Bid Conference held on July 19, 2012 at 10:00 AM to clarify the following.**

- I. Due Date for Bids Submission
- II. Revision on Evaluation Criteria
- III. Revised Price Schedule
- IV. Revised Price List Spreadsheet
- V. Questions

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## **I. Due Date for Bids Submission**

Deadline for submission of bids is **extended until August 7, 2012 at 3:00 pm.**

Any other questions are due on or before July 30, 2012 at 2:30 pm.

## **II. Revision on Evaluation Criteria**

**Financial/Operation Stability**, as part of the original evaluation criteria, is removed from the evaluation criteria set forth for this best value bid. Webstore Functionality criterion increased from 25% to 30% and References/Similar Prior Experience increased from 10% to 15%.

The revised evaluation criteria below will be used for this best value bid.

<u>Criteria</u>	<u>Percent</u>
a) Web store Functionality and Usability 24x7 Related up-time Requirement	30
b) References/ Similar Prior Experience	15
c) Bidder's pricing	30
d) Customer Service	10
e) Bid Responsiveness	5
f) Small, Minority and Woman-owned Business Program Compliance	<u>10</u>
<b>Total</b>	<b>100</b>

**a. Web store Functionality and Usability:** Bidder should demonstrate evidence of prior experience with web stores. Samples should include websites used for sale of products with secure online shopping cart capability. Web store application should demonstrate ease of use, customization capability, site design and content capability, maintenance, payment methods and reporting capabilities as specified in the Scope of Services section listed below. Reference URLs to existing customers or a test website will meet this requirement. Related up-time requirement (24x7 availability) and repair service level agreement are part of this criterion.

**b. Similar Prior Experience:** Bidder should have actively engaged for a minimum of three (3) consecutive years as a contractor providing the specified services. Bidder shall provide at least three (3) previous projects that demonstrate experience and competence on recent relevant projects of similar type and scope. Bidder shall provide summary to include the date of service, service provided and contact person name and phone number for reference with this bid document. SAWS reserves the right to contact references.

**References:** Bidder shall submit minimum of three (3) references that in the past they worked with similar type of scope. Bidder will be evaluated on how well they deal with their customers in terms of good relationship and rapport, professionalism and meeting or exceeding expectations.

**c. Bidder's pricing:** Pricing will be evaluated and will be a part of determining the overall "Best- Value" Bid. *All pricing shall be enclosed in a separate sealed envelope, marked "PRICING". All vendors submitting a bid will be notified of the date and time for the opening of pricing*

**d. Customer Service:** Bidders shall be evaluated on how they perform on their past and present contracts. Bidders shall be able to build good rapport to their customers, professionalism in all undertakings and good communication skills.

**e. Bid Responsiveness**

1. Response to the services scope, meeting or exceeding Bid requirements.
2. Completeness of requested information; clarity and conciseness.

**f. Small, Minority and Woman-owned Business Program Compliance:** The purpose is to encourage and involve qualified small, minority and woman owned businesses into the bidding process. See pages 35 to 38 and Section B on page 36. This will be evaluated and will be part of determining the overall "Best Value."

**III. Revised Price Schedule**

Attached to this Addendum 1 is the most updated best value bid Price Schedule (page 7-8).

**IV. Revised Price List Spreadsheet**

Attached to this Addendum 1 is the most updated Price List Spreadsheet on a separate excel sheet.

**V. Questions**

1. Financial/Operation Stability, page 12 of 40 – We are requested to provide income statement, balance sheet, and statement of cash flow. Is a statement to the financial health of business including gross revenue for the last 5 years sufficient, or is this requirement firm? If this requirement is firm, what assurances will SAWS provide that this information will remain strictly confidential? Who at SAWS will review this information?

*Answer: This criterion is removed from the evaluation criteria set forth for this best value bid. The revised evaluation criteria can be seen on page 2, I of this Addendum 1. Webstore Functionality criterion increased from 25% to 30% and References/Similar Prior Experience increased from 10% to 15%.*

2. "Prices Must Remain Firm for the Duration of the Contract" – Line 4, Page 14 of 40 – does this requirement mean that the discount percentage from list price must remain firm, or that the net unit cost must remain firm for the duration of this 3 year contract?

*Answer: The most current price list schedule is attached to this Addendum 1. Vendor shall provide pricing for the items listed, to include the various quantity prices, and shall be fixed for the 3 year contract period.*

3. List Prices – this term is used repeatedly in the bid request. Does this mean the manufacturer’s list price, which is the published price, catalog price, price on websites, etc. or some arbitrary list price established by vendor?

**Answer: Vendor shall use Manufacturer List Price which is the published price for Special Items SAWS will purchase with a fixed discount.**

4. What happens if the manufacturer’s list price changes (goes up during the term of the contract)? What happens if suppliers’ list price goes down during the term of the contract?

**Answer: Prices to be provided on the Price List Spreadsheet, Item B, REGULAR ITEMS, must be firm and fixed prices for the 3 year contract period.**

**Items SAWS will purchase that are NOT listed on Price List Spreadsheet, Item B, REGULAR ITEMS, falls under the category of Item C, SPECIAL ITEMS. These items will be on as-needed basis. A quote will be requested by the customer and should be priced in accordance to the current manufacturer list price less SAWS fixed discount. Discount shall remain firm for the entire 3 year period of the contract.**

5. Maintenance of Website – in paragraph 2, page 15, the estimated annual revisions is two times annually. Later on that same page, in paragraph 4, pricing is to be provided to modify website up to 12 times annually. Which is correct?

**Answers:**

**The estimated 12 times annual modification refers to management of the product catalog (addition, deletion and revision of catalog items).**

**The estimated annual revision mentioned on the contract refers to the website itself. This is estimated to be 40 hours annually. This is outlined in the Price Schedule to include hourly costs of such services for an as-needed basis.**

6. SAWS states that hosting fees should not be marked up, and they reserve the right to audit hosting invoices. Your bid request makes no allowances for the fee for a SSL certificate, merchant account fees, gateway fees etc. How does SAWS expect vendor to recoup these costs if they cannot be included in the monthly hosting cost?

**Answer: Hosting Fees shall include all necessary fees to run SAWS Gear Employee Webstore. Vendor shall itemize all necessary fees and mandatory charges on the invoice.**

7. Initial Product Offerings to Include Approximately 60 Items, page 17, paragraph 16 – please provide specifics as to what these items will consist of.

**Answers: Currently there only 49 items listed available on our SAWS Gear: Employee Web Store at [www.sawsgear.com](http://www.sawsgear.com). SAWS may request to add or delete items on the Webstore.**

8. Page 18, Item 2 – Regular Items – “Vendor shall provide their list price on the regular items specified on the spreadsheet and the discount to be extended to SAWS for the duration on the contract period.” – is the list price to remain the same throughout the contract period, or the discount from list price to remain the same?

**Answer: The most current Price List Spreadsheet is attached to this Addendum 1. Vendor shall provide pricing for the items listed under Regular Items, to include the various quantity prices, and shall be fixed for the 3 year contract period.**

9. Page 19, Paragraph 3 – “Vendor needs to provide quantity discounts for bulk orders, in addition to the list price discount to be extended to SAWS for regular items on the spreadsheet.” – What qty are we to base the regular price/list price on?

**Answer: Vendor shall provide pricing for the REGULAR ITEMS listed on Price List Spreadsheet, as well as the prices for the various quantities and the pricing shall be fixed for the 3 year contract period.**

**For purposes of evaluation, SAWS estimated amount of purchases for each type of items for a year as provided under SPECIAL ITEMS.**

**All prices shall be based on the minimum order quantity (MOQ) if any applies.**

10. Page 19, Paragraph 5 – “Setup Charges will not be paid on orders over \$3000” – Set up charges are rather significant as sometimes the design uses over 6 colors on the front and back. How does SAWS propose the real cost of setup charges is to be recouped by the vendor?

**Answer: Set Up charges referenced on the original bid document will be revised by this Addendum 1. Vendor may charge SAWS for set up fees however Vendor shall not charge SAWS more than \$50.00 for complex orders. Complex orders may include custom prints and multiple full color graphics depending on the design.**

11. Page 19, Paragraph 5 – “SAWS will not pay setup charges on any re-orders within 3 months” – again how does SAWS propose that vendors are to recoup the cost of re-setup charges they may be charged?

**Answer: This will be a firm language to our contract. Vendor shall not charge SAWS set up charges for repeat orders within 3 months period or more.**

12. Page 19, Paragraph 6 “Shipping” – SAWS is requesting a shipping invoice be provided with every invoice to SAWS in order for shipping to be paid. Is this correct?

**Answer: SAWS has revised this requirement from requesting shipping invoice for every purchase to SAWS will randomly request shipping invoices for auditing purposes. Vendor shall respond with shipping invoices within 10 days of request.**

13. Page 19, Paragraph 9 – “Quotes should be valid for 45 days and a 10% penalty will be imposed for a quote that changes within 45 days” – USB memory pricing changes weekly. There is no way to guarantee pricing for more than 7 days with USB memory. These types of items do not have published prices as their pricing is very fluid, as they are commodities. There are several other items that fluctuate weekly. How does SAWS propose vendors accommodate for this reality?

**Answer: Instead of 45 days, SAWS requests that Vendor’s quote for special items shall be valid for 30 days from the date of receipt and 10% penalty will be imposed for a quote that changes within 30 days.**

14. SAWS has stated throughout the RFP that they may cancel this contract at any time, for any reason. Can vendor cancel the contract? What are the repercussions of a vendor cancelling the contract?

**Answer: Typically, SAWS would only cancel this contract due to vendor's non-performance or for budgetary reasons. Unless there are extenuating circumstances, the expectation is that the vendor will honor the contract through the completion date.**

15. Page 7, paragraph 17(d) – “SAWS reserves the right to purchase the product on the open market and charge vendor for the difference from the contract price” – SAWS has requested a price that must remain firm for the next 3 years, and then states that SAWS may purchase the product from another source and charge vendor for the difference, if original vendor is unable to deliver at the contract price, is this correct?

**Answer: This is standard language in SAWS Terms and Conditions and is a part of all our contracts. SAWS expects vendors to honor prices quoted on the contracts awarded to them.**

16. Page 34 – Item 1 – “Minimum of 30 pages” – this requirement is not addressed elsewhere in the RFP, what does it mean?

**Answer: Requirement is deleted from the price schedule.**

17. Does the pricing in the employee purchase section have to be the same as the pricing in the departmental purchase section? If so, how does SAWS propose vendor recoups the cost of fulfillment, merchant account fees, shipping from the warehouse, packaging and delivery to SAWS?

**Answer: We understand that SAWS employee will be charged more compared to the pricing to be extended to SAWS. Vendor shall charge taxes and if needed, shipping to SAWS employees.**

18. Is the quantity provided per year or for the whole 3 year period?

**Answer: Quantities provided are estimates for 1 year period and may change depending on SAWS need.**

19. Page 7 states that a performance deposit will be furnished by the successful bidder. What is the amount of the performance deposit required?

**Answer: No performance deposit is needed for this contract.**

20. Page 22, # 10 asks for a copy of our catalog. Hard copy or CD copy.

**Answer: CD Copy.**

**REVISED PRICING SCHEDULE**

**Instruction: All pricing shall be enclosed in a separate sealed envelope, marked "PRICING". See pricing spread sheet attachment for Item No. 3 and 4.**

	UOM	QTY	Unit Price	Extended Price
<b>Item 1</b>				
<b>Web store One Time Set Up Fee</b>	<b>LS</b>	<b>1</b>	\$ _____	\$ _____ (A)
Concept Design E-Commerce capability- PCI Standards Product Upload Initial web store mockup Any other support on Initial Set Up 2 Months Support after successful go-live				

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	UOM	QTY	Unit Price	Extended Price
<b>Item 2</b>				
<b>Any additional</b>	<b>HR</b>	<b>40</b>	\$ _____	\$ _____
changes outside scope Beyond go-live support period other than content management Approximately 40 Hrs				

<b>Item 3</b>				
<b>Regular Items</b>	<b>LS</b>			\$ _____
Spreadsheet Total (As per spreadsheet)				

<b>Item 4</b>				
<b>Special Items</b>	<b>LS</b>			\$ _____
Discounted Total (As per spreadsheet)				

<b>Item 5</b>				
<b>SAWS GEAR</b>	<b>MO</b>	<b>12</b>	\$ _____	\$ _____
Web store Hosting Fee Monthly Hosting				

**Item 6**

**Content Management**

**Each**

**12**

**\$ \_\_\_\_\_**

**\$ \_\_\_\_\_**

Addition/ Deletion/ Revision  
anticipated Changes per year

**SUB TOTAL FOR ITEMS 2 to 6 \$ \_\_\_\_\_**

**Multiply by 3 Years X 3 Years = \$ \_\_\_\_\_ (B)**

**(A + B) GRAND TOTAL \$ \_\_\_\_\_**