

ADDENDUM NO. 02 CITY OF FAIRHOPE

The following questions have been submitted by potential bidders and answers have been provided by the Purchasing Manager, Dee Dee Brandt

Bid No.06-19 Disaster Debris Removal Monitoring Services 2019

OPENING OF BID HAS BEEN CHANGED TO: WEDNESDAY, APRIL 17 AT 9:00 A.M.

CLARIFICATION / CORRECTIONS

1.) Question 1 (Addendum #1)

We are kindly requesting that the City waives the Bid and Performance Bond requirements on pages 2, 5, 23, 32 of the Bid, as the Federal procurement regulations in 2 CFR §200.325 only recommends bonding requirements for construction or facility improvements contracts. 2 CFR 200.325 states the following:

§ 200.325 Bonding requirements. For **construction or facility improvement contracts** or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or passthrough entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- a. A bid guarantee from each bidder equivalent to five (5%) percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- b. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
- c. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

2.) Per pages 6, 23, 30 of the Bid, we would like to request the deletion of the liquidated damages provisions as it is not appropriate for a time and material effort and the nature of the work contemplated under the resulting debris monitoring contract. Liquidated damages are normally used in construction contracts where the obligations for faithful performance are tied to specific milestones and contract terms.

Answer 1

Per Federal procurement regulations 2 CFR §200.325:

§ 200.325 Bonding requirements. For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or passthrough entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- a. A bid guarantee from each bidder equivalent to five (5%) percent of the bid price. **Since this is not declared until there is an emergency, we are requesting \$1000 Bid Bond to accompany bid response.** The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

b. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.

c. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Therefore, the liquidated damages provisions listed on pages 6, 23, and 30 are not required due to the nature of work being performed.

Correction:

Please Disregard the answer pertaining to liquidated damages (grey) above. Remove page 23 and replace with Bid Bond rev1 page (attached).

The City is requiring a **Bid Bond of \$1000 to accompany the Bid Response**, and the Performance and Payment Bonds will be required along with insurances certificates once an Emergency/disaster has been declared and the Awarded Company is sent a Notice to Proceed

Bidders are to sign and include signed **Addendum No. 2** with submitted bid documents.

Acknowledged:
Company

By

Purchasing Manager
City of Fairhope
Posted 04/5/19

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Acknowledged:
Company

By

Purchasing Manager
City of Fairhope
Posted 04/5/19

Bid No. 006-19 Debris Removal Monitoring Services 2019

The PRINCIPAL (Bidder's name and address)

The OWNER

City of Fairhope
P.O. Drawer 429
Fairhope, Al 36533

The PROJECT for which the Principal's Bid is submitted: (Project will be named once the event occurs.)

PROJECT NO. PW _____ -19
PROJECT NAME: _____

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned Principal and Surety, jointly and severally, hereby bind ourselves, our heirs, executors, administrators, successors, and assigns to the OWNER in the PENAL SUM of ONE THOUSAND DOLLARS (\$1,000.00).

THE CONDITION OF THIS OBIGATION is that the Principal has submitted to the OWNER the attached bid, which is incorporated herein by reference, for the Project identified above.

NOW, THEREFORE, if, within the terms of the Bid Document, the OWNER accepts the Principal's bid and the Principal thereafter either:

- (a) executes and delivers a Construction Contract with the required Performance and Payment Bonds (each in the for contained in the Bid Documents and properly completed in accordance with the bid) and delivers evidence of insurance as prescribed in the Bid Documents, or
(b) fails to execute and deliver such Construction Contract with such Bonds and evidence of insurance, but pays the OWNER the difference, not to exceed the Penal Sum of this Bond, between the amount of the Principal's Bid and the larger amount for which the OWNER may award a Construction Contract for the same Work to another Bidder, then, this obligation shall be null and void, otherwise it shall remain in full force and effect.

The Surety, for value received, hereby stipulates and agrees that the obligation of the Surety under this Bond shall not in any manner be impaired or affected by any extension of the time within which the OWNER may accept the Principal's bid, and the Surety does hereby waive notice of any such extension.

SIGNED AND SEALED this ____ day of _____, 2019.

ATTEST (Principal (Company) By _____

Print Name and Title

SURETY ATTEST _____

Surety Company By _____ Print Name and Title

**Instructions for
Performance Bond
and
Labor and Materials Bond
(pages 33-37)**

The contractor will furnish a Performance Bond and a Labor and Materials Bond in the form and terms approved by the City in an amount not less than the estimated event cost for any and/or all events within 10 days of receiving the Notice to Proceed. The cost of said bond premiums will not be an additional cost to the City.