

Nuts, Bolts and Fasteners

2019-58

Addendum #1

May 14, 2019

Vendor Questions & Answers and Pricing Section Revisions

- Addendum #1 is to provide response to vendor question and to revise the pricing table.
- The Department has attached an updated pricing spreadsheet to clarify the bolt grades for multiple line items.
- The Department has included in this addendum Section 2 Pricing, which has been revised to add the appropriate CPI Index increase language. Vendor will be allowed a CPI Index increase upon request, at the time of the contract renewal. Please replace Section 2 of the contract with the revised pages below.

Vendor Questions & Answers

1. Vendor Question 1: Do you want the quoted prices by the package or by each?

Answer 1: The quoted price should be per box/pack. We do ask that you indicate the quantity in the box/pack on the pricing spreadsheet.

2. Vendor Question 2: Do you want import product (lower price) or domestic (higher quality)?

Answer 2: Section 1.2.6 of the bid stated the following:

“Award for Domestic/Non-Domestic: Please note for all Grade 5 and Grade 8 products, bidders may submit bids on both (or either) domestically and non-domestically produced fasteners. The Illinois Steel Products Procurement Act (Illinois Revised Statute CH. 48, PARA 1801-1807, 30 ILCS 565/), copy available upon request, requires that preference be given to products made with domestic steel for use in “public works projects.” Accordingly, the domestically produced products will receive preference unless the cost is more than 10% higher than the cost of non-domestically produced items.”

The State will give preference to domestic unless the bids received are 10% or more higher than cost of non-domestically produced. You do have the option to submit a quote for both domestic and non-domestic if you wish.

2. PRICING

2.1 FORMAT OF PRICING:

- 2.1.1 Vendor shall submit pricing in the format shown in attachment KK, based on the terms and conditions set forth in section 1 of this Contract. Award will be made by item to the responsible bidder offering the lowest responsive bid. The quoted prices shall be F.O.B. destination, freight prepaid to delivery locations as specified.
- 2.1.2 Price List Requirements: "Price Lists" submitted must be clearly identified as to which line item number it is submitted for and where price schedule shows several price columns it is the bidder's responsibility to clearly indicate which price column stated discount is being offered. The price list format must reflect each products description, box or pack quantity, and "each" quantity pricing in accordance with stated packaging. (Box/Pack price format may be acceptable upon review and approval.)
- 2.1.3 Bidder Instructions: Bidder shall quote their price as a single-percent discount from a price column of the manufacturer's distributor current published price list submitted, which shall become the basis for the contract. Multi-discounts for different sections of a price list and chain discounts are not acceptable. Bidder shall clearly indicate on the bid, and on the price sheet, the column to which the discount applies.
- 2.1.4 Method of Evaluation: The Department will evaluate a sample group of commonly used items and apply the discount to determine the low-net-total award recommendation. (A list of the items used for evaluation will be made available to vendor upon request at the time of the notice of award posting.)
- 2.1.5 Method of Award: The Department desires to award to a single vendor offering the aggregate low-net-total bid of line items 1 through 39 although, reserves the right to award by common groups of line items or by line item in the invitation for bid if no aggregate low bidder is received and deemed responsive and responsible for award.
- 2.1.6 Catalog Price List Lint Item #39: While the Department will not be factoring in line item to determine low bid, any pricing which is deemed too low or too high in relation to the other prices bid by the vendor, may be seen as an attempt to structure the bid to the disadvantage of the Department in order to win the award by taking advantage of the evaluation method and unbalanced pricing may be cause for rejection of bid.
- Failure to quote a single discount from the current price list will disqualify the bid, multi or chain discounts will not be considered.
- 2.1.7 Pricing shall be submitted in the following format: See Pricing Table Attachment KK

- 2.2 TYPE OF PRICING:** The Illinois Office of the Comptroller requires the State to indicate whether the contract value is firm or estimated at the time it is submitted for obligation. The total value of this contract is estimated.
- 2.3 EXPENSES ALLOWED:** Expenses are not allowed.
- 2.4 DISCOUNT:** The State may receive a [Click here to enter text](#) % discount for payment within [Click here to enter text](#) days of receipt of correct invoice. This discount will not be a factor in making the award.
- 2.5 VENDOR'S PRICING:** Attach additional pages if necessary or if the format of pricing specified above in Section 2.1 requires additional pages.

2.5.1. Vendor's Price for the Initial Term: [Click here to enter text](#)

2.5.2. Renewal Compensation: If the contract is renewed, the price shall be at the same rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

2.5.3. Agency Formula for Determining Renewal Compensation:

Economic Adjustment Clause: All price adjustments (increases or decreases) shall be calculated automatically prior to renewal and the vendor shall not be entitled to apply the price adjustment until such renewal term becomes effective. For the first renewal term, the price adjustment shall be determined by the percent change of [a] the average of the index values for the twelve months prior to the month in which the bid opening occurs to [b] the average of a similar twelve-month period prior to the renewal date. The index rate will be (PCU3327-3327) as published by the United States Department of Labor, Bureau of Labor Statistics on their website. For example, if the bid opening date occurs in April 2017, then the base index value will be the average of then-published values for the period from April 2016 through March 2017. For the first renewal only, the percent change would then be calculated based on the twelve-month average of index rates for the period from April 2018 through March 2019. The calculation for subsequent renewals will be based on a similar twelve-month period (from the prior April to the following March) compared to the same twelve-month period one year prior. The most recent published index values for the corresponding periods at the time of the adjustment shall be used in calculation of the percent change. The calculated percent change shall be applied to the contract Nuts, Bolts & Fastener prices and the new contract prices shall be determined accordingly. If the vendor has unresolved complaints filed against them for non-delivery or poor quality, the application of the price adjustment may be denied or deferred until which time all past complaints are resolved.

Economic Adjustment Clause can only be applied to initiation of each Renewal Term, Initial Term pricing is not subject to Economic Adjustment Clause. See Renewal Section of Contract.

2.5.4. Vendor's Price for Renewal(s): [Click here to enter text](#)