



January 6, 2017

To: All Potential Respondents

From: Nancy Wheelock, Purchasing Agent

Subject: RFB1117005168 – Agricultural, Construction and Grounds Maintenance Equipment, OEM Parts and Services

Addendum One

Please amend the subject RFP to include answers to the following timely received questions:

Q1. Some of the existing equipment makes listed in the spreadsheet are discontinued or have outdated information. Can we replace the discontinued equipment makes with the current replacement information and also update model numbers or equipment information?

A1. Yes, the instructions on Tab 1 of the Spreadsheet, Part 1 – Equipment, provides for the entry of replacement equipment for discontinued equipment makes, models and equipment information. Bidders should enter the new information in red lettering so that the Issuing Officer can easily identify the revised information.

Q2. Our equipment make(s) is not listed on the spreadsheet but fits within the agricultural, construction, and grounds maintenance categories. Can we still bid our equipment?

A2. Yes, the state will consider new equipment makes not already listed on the Equipment spreadsheet, Tab 1, which meet the requirements of this RFB. Bidders may enter new equipment (equipment makes/brands not already listed on the equipment spreadsheet) at the bottom of Tab 1 in the New Equipment Makes section (approximately line 969 of Tab 1 depending on additions added above). The state reserves the right to reject or accept the new equipment makes based on the needs of state agencies.



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Addendum Two

Please amend the subject RFP to include answers to the following timely received questions:

Q1. When editing columns C & D, do you want us to delete what is on the line and replace or add info in red (see example)?

A	B	C	D
Equipment Make	Equipment Group	Equipment Model	HP or Mower Cut Width
Brand X	Compact Excavator	TB108 - TB210R	9HP- 10HP

A1. Bidders shall leave the original text in each revised column and add the replacement text in red next to the original text as shown in the example above for existing equipment makes in the spreadsheet provided. If you have new equipment groups or new equipment models for equipment makes/brands already listed in the spreadsheet, you can insert a new line into the existing list for that make/brand and add the new line item in red text.

As a reminder: All NEW equipment makes/brands (not currently listed on the spreadsheet) shall be entered at the bottom of Tab 1, Part I – Equipment Discounts, in the New Equipment Makes section. Bidders may use any color text when listing new equipment in the New Equipment Makes section.



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BID DUE DATE HAS BEEN EXTENDED TO JANUARY 9, 2017 NO LATER THAN 3:00PM CST

Bidder Question Submittal has been extended to December 20, 2016 no later than 3:00PM CST

Addendum Three

Please amend the subject RFB to include answers to the following timely received questions:

- Q1. Will the state consider extending the bid due date until after the holidays to give us more time to collect the service rate sheets from our dealers?**
- A1. Yes, the state has revised the due date for bid submittal to January 9, 2017 no later than 3:00 PM CST to allow bidders more time to collect service rate sheets from their dealer network. All bids are due by the revised date and time.**

The due date for submittal of bidder questions has also been revised to December 20, 2016 no later than 3:00PM CST. Bidders may submit questions regarding the RFB until the new revised date and time.

Q2. How do we submit our bids?

- A2. This is a paper bid with an electronic copy requirement. Your bids should be submitted in a sealed envelope or container to the Issuing Officer at the address below. Envelopes or containers should be clearly marked with the Issuing Officer name, the bid number (RFB1117005168), and Bidder's Name. No late bids will be accepted.**

**Nancy Wheelock
Iowa Department of Administrative Services
Hoover State Office Building, Floor 3
1305 East Walnut Street
Des Moines, IA 50319-0105**

Please also read the following Sections of the RFB for additional information such as the number of paper and electronic copies along with a list of documents which should be included in your bid submittal.

Section 1.1 of the RFB bid document states the following:

Bidder is to download this document and save to computer. Once saved, type in responses to the required sections and save again. Finally, print this document and submit one (1) paper copy and one (1) electronic copy of this document with your bid response. If not included in the bid response, the bid may be disqualified.

Bidder will also review Section 3 (9) for a list of other documents and information to include when submitting the bid. Bidder will submit the bid documents to the Issuing Officer and location on the RFB Cover Sheet.

(continued on second page)

Section 3 (9) of the RFB bid document states the following:

Bidders will submit one (1) paper copy and one (1) electronic copy (flash drive or CD) of the following documents with their bid:

- ☐ **RFB Bid document** (*this document*) - Bidders should complete all items in Section 3, Section 4 and the Attachments of this document.
- ☐ **Spreadsheet** completed with Equipment Discounts, Equipment Parts Discounts, and Equipment Service Rates.
- ☐ **Authorized Dealer Contact List**
- ☐ **Equipment Parts Pricing list** in Excel or PDF format if not providing an online link or completing Tab 2 of the **Spreadsheet** for parts discounts.
- ☐ **Service Rate Sheet(s)** from Dealer(s) in PDF or Excel format, if applicable. (See Tab 4 of Spreadsheet.)
- ☐ **Sample of Quarterly Sales Report** to be provided to state's Contract Manager per Section 4.17.



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Addendum Four

Please amend the subject RFB to include answers to the following timely received questions:

- Q1. The bid was not listed on the Iowa Vendor Self Service (VSS) site. Will this be corrected in order to submit electronically?**
- A1. No, because of the complexity of this bid, bidders will be submitting a paper bid with an electronic copy. Please see Addendum 3 for specific information on how to submit your bid.**
- Q2. Per Section 4.12 - We are a \$7.5 Billion manufacturer with over 20,000 employees. If we select yes, are we agreeing to authorize criminal history and a background checks for all of our officers, directors, shareholders, partners, managers, and supervisors? Please advise.**
- A2. If you object, indicate so and state your reason(s) in Attachment #3. You may submit your proposed language revisions with your bid.**
- Q3. Per Section 4.14 – Defective Equipment - Are we obligated to take back a complete tractor if an item would fail during the warranty period? Ex. alternator, battery, tire, or any other miscellaneous items?**
- A3. No, the defective part (alternator, battery, starter, etc.) that is under warranty would be returned and replaced at no charge to the state. Depending on the warranty provided for a specific piece of equipment, labor to install the replacement part may also be provided at no charge to the state during the warranty period.**
- Q4. Per Section 4.22 – Adjustments in Pricing - Would there be any exceptions if we have a situation where our published programs at certain times during the year may be more advantageous due to multi-unit /target programs vs. our fixed governmental discount? Would we still have to amend the contract and provide lower pricing?**
- A4. Contractor must inform and assist the state agency as necessary to take advantage of Special Offers or Promotions that are offered by either the manufacturer or the Contractor. However, the state will not amend the Contract for the special offer or promotional pricing.**

The Contractor may conduct sales promotions involving specific products or groups of products for specified time periods. The Contractor shall submit a formal request for approval to the Contract Administrator. The request should include the equipment or equipment groups, the promotional price as compared to the standard price for the product or product groups, and the start and end dates of the sales promotion. Upon approval, the Contractor shall provide conspicuous notice of the promotion.

Q5. Attachments 6 & 7 - Does the clean air and water certification apply to a tractor manufacturer? If yes, can you elaborate on how it would apply?

A5. Many state agencies use federal funding to purchase the equipment listed in this bid. When federal funds are being used for a state purchase, the bid document, subsequent contract, and Contractor must meet the federal requirements included in the federal grants.

The Clean Water Act (CWA) has implemented pollution control programs such as setting wastewater standards for industry such as manufacturers. The Clean Air Act (CAA) regulates air emissions from stationary and mobile sources. A stationary source would be a manufacturing plant.

If the Bidder is a manufacturer who is required to meet the Federal CAA and CWA, they should complete Attachments 6 and 7. Dealers are not expected to submit Attachments 5, 6 or 7.

Q6. How do you want us to submit pricing for our authorized dealers? Is it ok to create a spreadsheet with the rates requested in additional columns?

A6. The state is providing further clarification on how to provide parts and services pricing below.

Parts Discount - TAB 2 on Spreadsheet:

There are three ways you can provide parts pricing information for this bid. Bidder will choose the option that best fits their business processes:

1. **Option 1 - Percentage Discount by Parts Groups:** Tab 2 on the Spreadsheet allows Bidder to enter percentage discounts off manufacturer's list price by part groups (i.e., Operator Environment parts, hitch parts, hydraulic parts, fender parts, lights, miscellaneous, etc.) With this option, the state will contact the local dealer to get the list price and then take the percentage discount off the list price to compute the final invoiced state price. Bidders may provide their own list of percentage discounts by part groups in Excel format instead of using the template on Tab 2.
2. **Option 2 - Online Pricing:** Bidder shall provide a link to their online parts list which shows the Bidder's list price and the discounted state price. With this option, the state can use the online information to verify invoice pricing.
2. **Option 3 - Electronic File of List and Discounted Pricing:** If Bidder cannot provide either item 1 or 2 above, then Bidder shall provide an Excel spreadsheet or PDF file of replacement parts which provides the manufacturer's list price and the discounted state price for their individual parts.

Service Rates:

The state is seeking basic flat or hourly service rates for repair or maintenance services. Since many dealerships are independent, the state has provided a template which can be emailed or faxed to Bidder's dealers to complete and return to the Bidder. Bidder may return those completed rate sheets with their bid or they may create a new spreadsheet with the rate information by dealer name and submit that spreadsheet with their bid.

If the entire dealer network has the same pricing for services (i.e., a specific pricing program for the state), then the manufacturer does not need to provide individual pricing rates for each dealer.

Q7. Do you have a sample of the quarterly sales report that we can use as a guide?

A7. Yes, a sample quarterly sales report is attached. If Bidder can match the sample quarterly sales report, they can state such in their bid and that will meet the requirement of providing a sample report with their bid.

- Q8. Section 4.13 Insurance** – We do not purchase primary products liability insurance as part of its general liability insurance program. Our company is self-insured. Could this requirement be removed?
- A8.** If you object, indicate so and state your reason(s) in Attachment #3. You may submit your proposed language revisions with your bid.
- Q9. Section 4.13.1 Certificates of Coverage** - Requires us to submit duplicate originals of each insurance policy. It is not our business practice to release such documents since they contain proprietary information about our company. Could this requirement be removed?
- A9.** If you object, indicate so and state your reason(s) in Attachment #3. You may submit your proposed language revisions with your bid.
- Q10. Section 4.13.2 Waiver of Subrogation Rights** – We are self-insured to a specific coverage limit. Over and above that limit, we do not have the authority to do what's requested in this section with respect to our excess insurance. Could this be removed?
- A10.** If you object, indicate so and state your reason(s) in Attachment #3. You may submit your proposed language revisions with your bid.



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Addendum Five

Please amend the subject RFB to include answers to the following timely received questions:

- Q1. We are a distributor for skid steers, mini excavators and loaders. I have looked at the list of equipment and make an offer through an Iowa dealer. The list is very long. The question is since there are hundreds of items listed on the spreadsheet, we assume if we can match the specs of those listed items – particularly in skid steers, mini excavators, wheel loaders – then we can submit a bid accordingly??
- A1. Yes, Bidder may bid their NEW equipment make/brand which is equivalent in size and functionality to the existing equipment makes/brands listed in the bid. Bidder should submit their NEW equipment at the bottom of the spreadsheet in the New Equipment Makes section regardless of the length of their equipment list.
- Q2. We don't have dealers all across the state so do you have independent dealers you have used in the past that may be used by us also?
- A2. The state cannot determine which independent dealers are capable of servicing Bidder's equipment. If you have no authorized dealers within the state of Iowa, see Section 4 of the RFB below:
- Section 4 of the RFB states: Bidders with no dealer network or physical service locations in Iowa will explain how they handle repair services for the equipment they bid and any fees associated with services such as shipping, etc. (*The types of fees associated with services should be provided.*) Bidder will also explain the normal turnaround time for repair services performed outside of Iowa.
- Should a successful Bidder develop a dealer network or expand their current dealer network after the contract is signed, the Bidder will send updated dealer lists to the state's Contract Manager either during the contract renewal period or when new dealers have been added to their dealer list.
- Q3. In regard to contract #4425, we would like to submit our updated 2016 pricing that includes 2 new products, as well. Let me know if any additional information is needed.
- A3. Contractors with current contracts through the Iowa Department of Transportation that will be expiring on December 31, 2016 will need to submit a bid for this RFB to have the opportunity to be awarded a contract moving forward with the Iowa Department of Administrative Services.
- Q4. Section 1.7 – Terms and Conditions - The Confidentiality provisions -- how is the requirement going to be communicated and enforced at the Dealer level?

- A4. The terms and conditions for this RFB are the state's standard terms and conditions for competitive solicitations. The transactions occurring between the state entity and the dealer should not involve confidential information but rather equipment specifications, customer service, service and technical manuals, warranty information, pricing, invoicing, and payment.

If you have an objection with Section 1.7, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.

- Q5. Section 1.9 – Terms and Conditions: The 30 day notice will be problematic, and again, I don't know who we flow this requirement down to the Dealer level.

- A5. If you have an objection with Section 1.9, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.

- Q6. Section 1.12 – Terms and Conditions: Under this Agreement we would be selling Product that is available on the market. The definition of "Deliverables" and this provision are so broad that they are essentially claiming the rights to the IP in our Product and promotional materials. We cannot agree to that.

- A6. If you have an objection with Section 1.12, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.

- Q7. 1.15.11 and 1.15.13 – Terms and Conditions: The manner in which we will be filling orders triggers the "Use of Third Parties" and Assignment and Delegation" paragraphs; as such we need the Agency's review and approval to do so and will need to provide them with a list of authorized Dealers for this purpose.

- A7. The RFB already requires the Bidder to provide a list of authorized Dealers who can sell equipment, parts and services (if applicable) so that state entities know where purchase equipment, parts and services. If you have an objection with Section 1.15.11 and 1.15.13, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.

- Q8. 1.15.26 – Terms and Conditions: There is a very specific Record Retention provision – note that this requirement would need to flow through to our Dealers.

- A8. If you have an objection with Section 1.15.26, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.

- Q9. Section 4.6 – Terminations, Litigation, Debarment: As a publicly held company we have specific reporting obligations under the regulations of the SEC and NYSE. To provide more information that what is publicly disclosed may result in the disclosure of non-public confidential information which is prohibited. We do not provide the level of detail, nor does a summary exist of the information listed bullets 1, 2 and 4. If we had been or would be in the future subject to the conditions of Bullets 3 or 5 we would be required to disclosure that in our filings with the SEC and NYSE.

- A9. If you have an objection with Section 4.6, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.

- Q10. Section 4.9 – FOB Destination: The delivery term is stated incorrectly. Our Product would be delivered FCA - Destination in accordance with the definitions of INCO TERMS 2010. (FOB means that the product is delivered by vessel.)

- A10. F.O.B. Destination means the title passes from seller to buyer at destination and does not determine how the goods are shipped whether by truck, rail or vessel. The state does not use International Commercial Terms in its public procurement documents.

- Q11. Section 4.13 - Insurance: We cannot be in a position where our ability to modify our insurance coverage is subject to the prior written consent of the State of Iowa. We negotiate our insurance coverage on an Annual Basis, the size of our deductible must be within our discretion to do so. All of the coverage limits listed on the chart are currently within our SIR. We also cannot agree to the provision of 4.13.1 which requires at least 30 days prior written notice to the Agency. We can notify Iowa of any changes as we do with other vendors.
- A11. If you have an objection with Section 4.13, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.
- Q12. Section 4.22 - Adjustments in Pricing: We can agree to hold our prices for 1 year, however we must have the ability to make adjustments after that.
- A12. If you have an objection with Section 4.22, please state your objection in Attachment #3 of your bid along with your reason and any revised language you would like considered by the state.
- Q13. Attachment #2 – Authorization to Release Information Letter: If they are requesting references of other Customers we can provide a list and will authorize specific contacts, however we cannot provide an open ended authorization.
- A13. The state requires all Bidders to sign Attachment #2 and return it with their bid. Any bid submitted without a signed and dated copy of Attachment #2 may be rejected.
- Q14. Attachment #3: See comments above.
- A14. Attachment #3 is the Exceptions Form which allows Bidders to submit their exceptions to this RFB. Bidders are not required to use this form. Bidder may submit their exceptions in a separate document, along with reason for the exception and any revised language for the section pertaining to their objections.
- Q15. Attachments #6 and #7 – Clean Air and Water Acts: Again, we are a publicly held company and would be required to not only report to EPA but to include any material violations in our SEC and NYSE filings.
- A15. If the Bidder believes they already fulfill the requirements stated in Attachments 6 and 7 (Clean Air and Water Acts), then Bidder should not have an issue with signing Attachments 6 and 7.
- Q16. Section 2.11 – Reference Checks: It is unclear what “reference” checks there would be. Are we being asked to provide references?
- A16. No. The state is not requesting any references be provided by Bidder. Section 2 contains standard language which is included in all RFB solicitations.
- Q17. Section 5 – Dealer List and Section 4.21 – Invoicing: We prefer our authorized dealers to invoice the agency. Can you confirm if this is allowable?
- A17. Yes, dealers may invoice the state agency directly.



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Addendum Six

Please amend the subject RFB to include answers to the following timely received questions:

- Q1. In regards to submitting proposed changes to the language in the terms and conditions and/or insurance requirements, how does this impact a potential award of a contract?**
- A1.** The negotiation of terms and conditions which includes insurance provisions is done after the Notice of Intent to Award is posted. However, the Notice of Intent to Award is subject to execution of written contract and, as a result, the notice does NOT constitute the formation of a contract between the State of Iowa and the successful bidder. If the apparent successful bidder fails to negotiate and deliver an executed contract, the State, at their sole discretion, may cancel the notice of intent to award and award the contract to the next ranked bidder.
- Q2. Would the state consider allowing the addition of a rental component to the solicitation that would allow vendors to include their own parameters concerning rental term, minimum rental hours, maximum rental hours, rental rate, damages and maintenance responsibilities?**
- A2.** In the prior solicitation for equipment which included rental fees, most Bidders asked state agencies to contact them for rental rates which defeated the purpose of including rental fees in the solicitation. Therefore, the state has decided to use the informal quote process for rentals of equipment due to the low demand for rentals statewide and also because of the variety of Contractor parameters and terms.
- Q3. I was wondering on the ag and equipment bids how we can quote them because there is a lack of specification information and there can be many grades of equipment light duty and heavy and many options. Is there a way to be more specific?**
- A3.** The state cannot provide specifications for all of the various equipment makes/brands included on the spreadsheet but has provided model numbers in many cases which should help to determine an equivalent new make/brand. Bidders shall provide their list of equipment including the information for each column of the spreadsheet, if applicable. The state will review the new equipment makes/brands and also any additional equipment added for existing makes/brands to determine whether the equipment size and functionality meets the needs of state agencies and is in the best interests of the state. The state has the right to accept all, reject partial, or reject all of Bidder's new equipment makes/brands and additional equipment added for existing makes/brands.

Keep in mind that this bid allows for the addition of equipment for the duration of the contract including renewals. Should the state require a specific piece of equipment of a make/brand already contracted, the state may reach out to the Contractor and negotiate the addition of equipment.



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Addendum Seven

Please amend the subject RFB to include answers to the following timely received questions:

Q1. What is meant by section 4.7 PREFERENCE?

A1. Please go to: <https://www.oregon.gov/das/Procurement/Pages/Recippref.aspx> if you are unfamiliar with your state's preferences. This web page lists each state's preferences and explains the meaning of preference in relation to a public solicitation.

Q2. Due to our independent dealer agreements, we (the manufacturer) only deal in whole goods. Parts sales are reserved for dealer business. Our government sales office does not hold, manage or have access to Parts Pricing for contract submittal. Any and all parts' needs will be quoted by the local dealer. Do you foresee any problems with this scenario as long as it is called out on the Exceptions page accordingly – or should I just indicate same on the Parts Discount page?

A2. State your exception on the Attachment 3 – Exceptions Form only.

Q3. The bid states prices are firm for 365 days after award and can only be updated with 60 day notice prior to annual renewal. If contract is awarded in January and we normally receive notice of price adjustments in early December with January effective dates, can we be allowed to function within a 30 day submittal window or can the price adjustment be allowed to take place shortly after the renewal date? Otherwise we would be locked in to year old pricing at each renewal, which could be detrimental for both parties – depending on which way the prices shifted.

A3. The state will accept notice of price changes within 30 days of the contract renewal date. Price adjustments for equipment will remain firm for 365 days from the date of last price change.



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Addendum Eight

Please amend the subject RFB to include answers to the following question:

- Q1.** The RFB asks Bidders to provide a hard copy of our parts list as well as an electronic copy. We have more than 17,000 parts which would require a lot of paper to print. Can we just submit an electronic copy of our parts list without the hard copy or will we be disqualified for not meeting the bid requirements?
- A1.** The state will remove the requirement for submitting a hard copy of the parts list and allow bidders to submit an electronic copy only of their parts list. The electronic copy should be in an Excel or PDF file format.



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Addendum Nine

Please amend the subject RFB to include answers to the following question:

Q1. I received and read addendum 8 for the RFB. Our company is very similar in that we have thousands of parts, and as a matter of course we will submit our electronic version of the parts list upon approval of our proposal to an entity, such as State of Iowa.

I have already submitted our proposal, without the full price list. Would it be acceptable to send the full price list upon acceptance of our proposal for this RFB? If not.....What would be the best way to send and make sure it becomes part of the package we already submitted?

A1. If your manufacturer's list price for parts is available online and you have completed Tab 2 of the Spreadsheet providing your percentage discounts, then you do not need to provide an electronic copy of your parts list. If you do not have an online website which shows your manufacturer's list price, then you will need to provide an electronic price list with your bid showing the manufacturer's list price for parts.

Based on the prior paragraph, if you have already submitted your bid and have now determined that you need to provide an electronic price list (because you do not have an online website for parts pricing), then you should send your electronic file to the Issuing Officer at the same address used to submit your bid. The Issuing Officer will combine both of your packages and consider them one bid submission. The electronic file submission must be received by the due date of the bid or it will not be accepted as part of your bid submission.

Further clarification of the Parts Discount – Section 3 (3):

The objective is to provide enough information for an agency to determine whether they are being invoiced the correct amount for a part. This means that the Bidder must provide at a minimum the manufacturer's list price along with a percentage discount by part or part group **OR** the manufacturer's list price along with the state's discounted price by part or part group.

If Bidder has independent dealers who set their own parts pricing, Bidder will state their reason for exception to the Parts Discount section of this RFB in Attachment 3.