



October 28, 2021

ADDENDUM NUMBER: Two (2)

TITLE: ITN Heavy Duty Fleet Capital Procurement

JEA ITN NUMBER: 1410464846-22

RESPONSE DUE DATE: November 23, 2021

TIME DUE: 12:00 PM (noon)

THIS ADDENDUM IS FOR THE PURPOSE OF MAKING THE FOLLOWING CHANGES OR CLARIFICATIONS:

1. Supplier question responses are as follows:

- **Question 1: {paraphrasing- If I am unable to deliver an asset for an FY22 fiscal year asset, can I still bid?}**
 - **Answer: Yes, we {JEA} don't have hard delivery dates or LDs, the suppliers propose their delivery timelines and we evaluate them. This is how the bid is setup.**
- **Question 2: If we were to win the bid and I do not have trucks left being built in 2022, my production would move into the 2023 calendar year. Would this be acceptable?**
 - **Answer: If a supplier post award, is unable to deliver to the schedule they proposed in the award, we can a) terminate and go back to award; or b)if the change is not material in nature we can allow the change to occur and navigate accordingly.**
 - **We most likely couldn't allow you to migrate to a materially different plan as we evaluated you on one schedule and you received points based on that schedule. To deliver 4,6,10, etc. months after your plan would be substantially different. We would need to know details of the situation, how long after award it was found that the 2022 model year assets couldn't be delivered, who was at fault for not getting the 2022 assets, etc..**
 - **The one scenario I could see where we could allow it is we modelled what would have happen if you had bid a 2023 schedule. For instance if everyone bids mid 2023 delivery except you, they got 1 point and you got 5, we could model what all scores being the same would look like.**
- **Question 3: My second concern is the price of steel surcharges that is changing weekly. Some of my vendors will not hold their pricing for more than 30 days and I will be asking them to give me a price on a truck that will not deliver for over a year from now at best.**
 - **Answer: Regarding the cost increase, I am fine adjusting to the heavy duty Truck PPI with the price being set off the current October 2021 published PPI and then at time of delivery, pricing will be adjusted to current in a true up of pricing. We will use the following PPI:**
 - [Producer Price Index by Industry: Heavy Duty Truck Manufacturing \(PCU336120336120\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

- 2. The Solicitation Terms and Conditions with document labelled as 1410462846-22 - FY22 & FY23 Fleet Heavy Duty Vehicle Capital Procurement Addendum 1 has been replaced in its entirety with 1410462846-22 - FY22 & FY23 Fleet Heavy Duty Vehicle Capital Procurement Addendum 2 to incorporate the changes as described below:**

Coverpage:

First Round Responses due no later than 12:00 P.M. EST of November 23, 2021

BAFO Responses due no later than 3:00 P.M. EST of December 7, 2021

2.3.1. QUOTATION OF RATES

Maximum score for criterion is: 60 POINTS

Respondent shall provide a firm-fixed price quote for each Vehicle Grouping in this ITN by completing the enclosed Appendix B Response Workbook and Appendix B Response Form. The prices shall include all profit, delivery, taxes, benefits, travel, surcharges for material, and all other overhead items. Each vehicle grouping will be treated as a standalone scope so Respondents are encouraged to bid multiple groupings for efficiency purposes.

The prices quoted by Proposer on the Proposal Form must be firm-fixed prices, not estimates. All bids shall be made to the nearest cent and shall not include a fraction of a cent. \$123,456.78 format.

All proposed pricing submitted in this solicitation should take into account section 3.4.8 of this Agreement regarding price adjustment language.

3.4.8. COST ADJUSTMENT FORMULA FOR PPI ADJUSTMENTS

The quoted bid prices that the Respondent(s) provide during the bid process shall be updated for an “Initial Adjustment” at which time the below methodology of updating pricing shall apply. For the purposes of this adjustment, the adjustment shall reference the change during the time of bid to the time in which the Company and JEA have completed a Delivery and Acceptance of the Work.

All requested price adjustments for the Contract shall be in accordance with the Producer Price Index: PCU336120336120 - Producer Price Index by Industry: Heavy Duty Truck Manufacturing, Index Dec 2003=100, Monthly, Not Seasonally Adjusted

Price Increase/Decrease Formula = ((Latest BLS Index Figure – Base BLS Index Figure)/ Base BLS Index Average)) X 100 = Percent Change (%) (Truncated at the nearest hundredth of a percent)

Base BLS Index is September 2021 (updated October 14, 2021) – 153.5

Example:

Bid Date: October 20, 2019

Contract Effective date of December 20, 2019

Company and JEA accepted delivery of Asset 1 December 20, 2020

Company and JEA accepted delivery of Asset 2 January 20, 2021

Company and JEA accepted delivery of Asset 3 February 8, 2021

Price Adjustment Calculation Methodology: Using the PPI table below, the figures used to calculate the price adjustment would be the Base BLS Index, which would then be compared to the latest BLS Index Figure available at the time of delivery (there is a trailing one month for reporting and is published commonly during the mid-month) to determine the applicable percent price adjustment. The percent price adjustment will then be applied to each Unit Price delivered individually.

Price Increase/Decrease Formula = ((Latest BLS Index Figure – Base BLS Index Figure)/ Base BLS Index Average)) X 100 = Percent Change (%) (Truncated at the nearest hundredth of a percent)

Applying above formula to this example:

Base BLS at bid date: October 20, 2019 - (September 2019 151.2)

Latest BLS:

Company and JEA accepted delivery of Asset 1 December 20, 2020 – (November 2020 – 152.8)

Company and JEA accepted delivery of Asset 2 January 20, 2021 – (December 2020 – 152.9)

Company and JEA accepted delivery of Asset 3 February 8, 2021 – (December 2020 – 152.9)(*new index not published till approximately February 15th)

Asset 1 Percent Change = $((152.8 - 151.2) / 151.2) \times 100 = 1.058\%$ (Truncated at the thousandth)
 Asset 2 & 3 Percent Change = $((152.9 - 151.2) / 151.2) \times 100 = 1.124\%$ (Truncated at the thousandth)

Original Asset 1 price: \$100,000.00

New Unit Price Adjustment: $\$100,000 \times 1.058\% (0.01058) = \$1,058.00$ (Truncated to nearest cent)

New Unit Price: $\$100,000.00 + \$1,058.00 = \$101,058.00$

Original Asset 2 price: \$100,000.00

New Unit Price Adjustment: $\$100,000 \times 1.124\% (0.01124) = \$1,124.00$ (Truncated to nearest cent)

New Unit Price: $\$100,000.00 + \$1,124.00 = \$101,124.00$

Original Asset 3 price: \$200,000.00

New Unit Price Adjustment: $\$200,000 \times 1.124\% (0.01124) = \$2,248.00$ (Truncated to nearest cent)

New Unit Price: $\$200,000.00 + \$2,248.00 = \$202,248.00$

Producer Price Index by Industry: Heavy Duty Truck Manufacturing, Index Dec 2003=100, Monthly, Not Seasonally Adjusted

PCU336120336120

Frequency: Monthly

observation_date	PCU336120336120
2019-09-01	151.2
2019-10-01	151.1
2019-11-01	151.1
2019-12-01	151.1
2020-01-01	151.8
2020-02-01	151.8
2020-03-01	151.8
2020-04-01	151.8
2020-05-01	151.8
2020-06-01	151.8
2020-07-01	152.7
2020-08-01	152.7
2020-09-01	152.7
2020-10-01	152.8
2020-11-01	152.8
2020-12-01	152.9
2021-01-01	152.9
2021-02-01	152.9
2021-03-01	153.0
2021-04-01	153.2
2021-05-01	153.2
2021-06-01	154.1
2021-07-01	154.1
2021-08-01	154.1
2021-09-01	153.5