

Request for Clarifications
City of Olean
Request for Proposals
Olean Area Transit System (OATS)
Bus Service Proposal

The following four questions were transmitted by First Transit, Inc. to the City of Olean pursuant to the Request for Clarifications provision of the titled Request for Proposal document. No other “request for clarifications” was received by the City of Olean by 2:00 p.m. on February 12, 2016, the deadline for receipt of such requests detailed in the titled Request for Proposal document.

First Transit, Inc. requested the following clarification:

1. Please confirm that there is no requirement for a performance bond, payment bond or bid bond with this procurement.

Answer: Consistent with the OATS Request for Proposal documents, Part A, Federally required Clauses, Bonding Requirements, Respondents are not required to submit a bid bond with this procurement. Performance bond and payment bonds are not required pursuant to Part A-Federally Required Clauses, Bonding Requirements of the Request for Proposal.

First Transit, Inc. requested the following clarification:

2. At various times, state, federal, and local governments change laws, rules and regulations which require a company to increase the wages or benefits for the employees that will be employed under this contract. If such an event occurs during the term of the agreement, how will the City respond for a request for increased compensation? For example, the recent Affordable Care Act legislation significantly affected the level and cost of medical coverage for employees. Since these events cannot be anticipated and the costs are so significant, we need to understand the risk associated with such laws, rules or regulations.

Answer: the following paragraph is taken from the RFP:

Instructions to Respondents,

21. **PRICE IS FIRM**

The unit prices shall remain firm, and any other charges bid shall also remain firm, for delivery of the services described in this RFP. Except as specifically stated in these RFP specifications, no cost increase shall be charged for any reason whatsoever.

First Transit, Inc. requested the following clarification:

3. RFP, Public Notice, p.1; Appendix A, Sec. II, Contract Term, B. p.22. Would the City consider amending this language in Section II. B. to mirror the following?

a. The City and the contractor shall have three separate and consecutive options to extend, by mutual written agreement, any contract awarded in connection with the proposals submitted for additional periods of one (1) year each, at a price to be negotiated as follows:.....

Answer: the requested contract language concerns the possible exercise of contract options by the City of Olean and is not critical to the ability of the contractor to develop a response to the Request for Proposal. The City may negotiate the addition of the requested contract language after contract award and prior to contract execution.

First Transit, Inc. requested the following clarification

4. Appendix F “Olean Provider Agreement”, page 61. Would the City consider adding this language to the Agreement?

Force Majeure - “In the event Contractor is unable to provide the transportation services as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, the City of Olean shall excuse Contractor from performance under this Agreement.”

Answer: Consistent with the OATS Request for Proposal documents, Part A, Federally required Clauses, Termination, paragraph (b), Termination for Default, it is stated that, “If it is later determined by the recipient that contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of contractor, the recipient, after setting up a new delivery or performance schedule, may allow contractor to continue work, or treat the termination as a termination for convenience.” Further, pursuant to paragraph (j), Termination for Convenience or Default (Cost-Type Contracts), “If, after serving a notice of termination for default, the recipient determines that contractor has an excusable reason for not performing, such as strike, fire, flood, events which are not the fault of and are beyond the control of contractor, the recipient, after setting up a new work schedule, may allow contractor to continue work, or treat the termination as a termination for convenience.” In the event that the Contractor contends that due to events which are beyond its control, the Contractor is unable to continue work, the City of Olean will treat such assertion as grounds for termination for convenience.

The City may negotiate the addition of the requested contract language after contract award and prior to contract execution.