REQUEST FOR REVISED PRICING PROPOSAL SHEETS FROM ALL BIDDERS

The evaluation committee for this procurement has been working through the proposals and the pricing sheets from each bidder, and has determined that every proposal contains either errors or insufficiently detailed costs presented on the pricing forms 1.1, 1.1 (a), 1.1 (b), 1.2 and 1.3. These problems have made it difficult for the committee to draw objective comparisons between the proposals, and the committee has recommended that revised pricing sheets be prepared and submitted by all interested firms.

This is an opportunity for proposing firms to reconfirm that the assumptions used to develop the fixed and variable rates and the startup costs are consistent with the definitions and instructions in the RFP, and that all calculation errors are corrected. We understand that the turnaround time for this request is short, but note that this not a request to restructure any content in the proposal other than an opportunity to review and correct the pricing sheets.

There are several ways that this procurement differs from the common form used in the industry, and individual firms’ bid models may need to be adjusted to respond more closely to WCCTA’s guidance in the RFP. For example, the initial term of the agreement is 45 months, and the pricing forms are structured to capture costs for an initial 9-month period, followed by three columns for the subsequent three contract years. In calculating the monthly fixed rate, two firms entered the total estimated costs for the initial 9 months, and then divided this by 12 months to determine the monthly fixed fee. While this miscalculation would have accrued to WCCTA’s benefit, the committee felt it would be preferable to allow bidders to review and correct as appropriate.

A more common problem was a lack of clarity on the detail sheets on what specific cost assumptions were included in the calculation of the variable rate. The RFP provides specific guidance on how extra board expenses are to be calculated and compensated, and it provides direction on the billing method (whereby WCCTA pays Gate-to-Gate). When comparing the difference between the average hourly wage paid to drivers and the variable rate presented in many of the proposals, the committee can find no justification or detailed explanation for the magnitude of the difference, and believes that the bidders may have misunderstood the direction in the RFP.

Throughout its more than forty years of contracting history, WCCTA has structured its contracts to minimize the risk to its operations contract partners by taking direct financial responsibility for expenses most subject to variability. WCCTA owns its operations facility and vehicle fleet, pays for fuel and parts and provides $25 million in liability coverage for both the agency and contractor for claims associated with the operation of the WestCAT transit system (with the exception of claims under $100,000 where the contractor provides coverage).

This structure significantly lowers the contractor’s risk, and should simplify the contracting relationship, as the contractor need not build in contingencies for cost escalation in these areas. Also, the Gate-to-
Gate billing method means that contractors are directly compensated for deadhead time, and no provision should be built into the variable rate for this time.

The evaluating committee may prepare a specific set of questions for individual bidders to further clarify specific cost assumptions in both the fixed and variable costs that do not have sufficient detail to assess fully. We therefore encourage all bidders to be specific on assumptions and cost with this updated submission. Should questions still remain they will be submitted to individual contractors in advance of the interviews and will be addressed during the interview process.

Submission Method

Because we have had difficulty modifying the online portal to accept a further submittal, we are directing bidders to submit the revised pricing forms to me directly via email at charlie@westcat.org

Please request a delivery confirmation.

Corrected pricing sheets must be emailed prior to the Closing Time of July 2nd, 2020 6:00 PM PDT.