



Cape Fear Public Transportation Authority

**Request for Proposals
Fixed Route Transit and Vehicle Maintenance Management
Contract 20-01
Addendum 1**

Date of addendum: March 13, 2020
Reason for Addendum: To address questions raised at pre-bid meeting on March 11, 2020
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The following are responses to questions presented at the pre-proposal meeting on March 11, 2020:

1. Page 6 Section 7.5 - Liquid Damage Assessment

Question: "There is no limit to the liquidated damages identified in the RFP. This methodology is found consistently in outsourced operations, and not common in management contracts. Based on the way the RFP presents this methodology, it creates a situation where the liquidated damages could very well exceed the gross revenue of the management contract. We request that the liquidated damages be removed."

Answer: Section 7.5 of the RFP has been amended as follows:

All liquidated damages in section 5 have been removed. The following language should be inserted: "Liquidated damages shall be negotiated between the parties and shall be a provision of the management agreement."

2. Page 7 Section 7.8- Expectations of Contractor

Question: "Is the cost of arbitrations reimbursed by the Authority? If yes, what costs are reimbursable?"

Answer: Arbitration costs are considered reimbursable operating expenses and will be reimbursed. The Authority expects proposers to discuss the costs of any expected arbitration prior to agreeing to arbitration. Details regarding arbitration and arbitration costs shall be negotiated between the parties and shall be a provision of the management agreement.

3. Page 12 Section 7.14.19 - Insurance

Question: "Insurance: Do the insurance requirements apply to the Management Company only or all sub-corp employees? Is the RFP asking that the Management Company provide all the stated coverages for the entire Cape Fear Public Transportation Authority? If so, please provide loss runs for the past three (3) years and copies of insurance policies."

Answer: The insurance requirements in 7.14.19 are limited to the four required direct management company employees only.

