

May 28, 2015

ADDENDUM NO. 2
to the
Iowa Department of Transportation
Proposal No. 14303
ADA Accessible Heavy Duty Buses
Letting Date: June 17, 2015

Notice To Bidders:

This Addendum is issued to incorporate the following additions, deletions, corrections, and/or clarifications to the terms or specifications and shall hereby be considered a part of the final contract documents. This Addendum shall supersede, modify and/or change all statements to the contrary in the bid proposal and shall take precedence over previous terms or specifications.

CHANGE:

The Iowa DOT is making the following changes to this Bid Opportunity:

- 1) The Bidders Request for Alternatives or Exceptions (BRAE) form and any other questions are due on June 17, 2015. The Iowa DOT's responses will be posted by June 24, 2015. The Letting Date will now be moved to July 8, 2015.
- 2) For any questions regarding the minimum technical requirements, please fill out the BRAE form and specify what the DOT is asking for and what you would bid in lieu of that. The DOT will then approve or disapprove the request. For any other questions that are not technical related, please submit the questions on a separate document.
- 3) Options: Please submit a separate options list with pricing. The Bidder is not required to list their options in the small space provided in the Specifications.
- 4) Section 4.2 of the RFB: Please attach a separate document to state whether the Bidder complies with each specification. If the Bidder does not comply with each specification, please specify which part of the specification you do not comply with.
- 5) Warranty: Section 3.6 of the RFB references back to the specifications. In the specifications TS 5.6.1 makes reference to Section 7, which is not attached. Section 7, Warranty is now attached to this addendum.
- 6) TS86 in the specifications is no longer applicable to this Bid Opportunity.

All Bidders must sign and return this Addendum for the bid opportunity referenced above. Failure to do so may subject the Bidder to disqualification. If a bid response has already been submitted, this Addendum shall be signed and emailed or faxed to the Purchasing Section prior to the scheduled Letting Date.

Company Name (*please print*)

Date

Signature

Sincerely,

Zach Gillen, Purchasing Agent
Iowa Department of Transportation
Purchasing Section
Phone No. 515-239-1347 Fax No. 515-239-1538
zachary.gillen@dot.iowa.gov

SECTION 7: WARRANTY REQUIREMENTS

Basic Provisions

Warranty Requirements

Contractor Warranty

Warranties in this document are in addition to any statutory remedies or warranties imposed on the Contractor. Consistent with this requirement, the Contractor warrants and guarantees to the original Agency each complete bus and specific subsystems and components as follows. Performance requirements based on design criteria shall not be deemed a warranty item.

Complete Bus

The complete bus, propulsion system, components, major subsystems and body and chassis structure are warranted to be free from Defects and Related Defects for one year or 50,000 miles, whichever comes first, beginning on the date of revenue service but not longer than 15 days after acceptance under "Inspection, Testing and Acceptance." The warranty is based on regular operation of the bus under the operating conditions prevailing in the Agency's locale.

Body and Chassis Structure

Body, body structure, structural elements of the suspension and engine cradle are warranted to be free from Defects and Related Defects for three years or 150,000 miles, whichever comes first.

Primary load-carrying members of the bus structure, including structural elements of the suspension, are warranted against corrosion failure and/or Fatigue Failure sufficient to cause a Class 1 or Class 2 Failure for a period of 12 years or 500,000 miles, whichever comes first.

Propulsion System

Propulsion system components, specifically the engine, transmission or drive motors, and generators (for hybrid technology) and drive and non-drive axles shall be warranted to be free from Defects and Related Defects for the standard two years or 100,000 miles, whichever comes first. An Extended Warranty to a maximum of five years or 300,000 miles, whichever comes first, may be purchased at an additional cost. The propulsion system manufacturer's standard warranty, delineating items excluded from the Extended Warranty, submitted in accordance with the Request for Pre-Offer Change or Approved Equal or with the Form for Proposal Deviation.

Emission Control System (ECS)

The Contractor warrants the emission control system for five years or 100,000 miles, whichever comes first. The ECS shall include, but is not limited to, the following components:

- complete exhaust system, including catalytic converter (if required)
- after-treatment device
- components identified as emission control devices

Subsystems

Other subsystems shall be warranted to be free from Defects and Related Defects for two years or 100,000 miles, whichever comes first. Other subsystems are listed below:

Brake system: Foundation brake components, including advancing mechanisms, as supplied with the axles, excluding friction surfaces.

Destination signs: All destination sign equipment for the front, side and rear signs, power modules and operator control.

Heating, ventilating: Roof and/or rear main unit only, excluding floor heaters and front defroster.

AC unit and compressor: Roof and/or rear main unit only, excluding floor heaters and front defroster.

Door systems: Door operating actuators and linkages.

Air compressor

Air dryer

Wheelchair lift and ramp system: Lift and/or ramp parts and mechanical only

Starter

Alternator: Alternator only. Does not include the drive system.

Charge air cooler: Charge air cooler including core, tanks and including related surrounding framework and fittings.

Fire suppression: Fire suppression system including tank and extinguishing agent dispensing system

Hydraulic systems: Including radiator fan drive and power steering as applicable.

Engine cooling systems: Radiator including core, tanks and related framework, including surge tank.

Transmission cooler

Passenger seating excluding upholstery

Fuel storage and delivery system

Surveillance system including cameras and video recorders

Extended Warranty

Please provide options for extended warranties that are above and beyond the minimum required warranties as an additional option in the options pricing list

Serial Numbers

Upon delivery of each bus, the Contractor shall provide a complete electronic list of serialized units installed on each bus to facilitate warranty tracking. The list shall include, but is not limited to:

engine

transmission

alternator

starter

A/C compressor and condenser/evaporator unit

drive axle

power steering unit

fuel cylinders (if applicable)

air compressor

wheelchair ramp (if applicable)

The Contractor shall provide updated serial numbers resulting from warranty campaigns. The format of the list shall be approved by the Agency prior to delivery of the first production bus.

Extension of Warranty

If, during the warranty period, repairs or modifications on any bus are made necessary by defective design, materials or workmanship but are not completed due to lack of material or inability to provide the

proper repair for thirty (30) calendar days, the applicable warranty period shall be extended by the number of days equal to the delay period.

Voiding of Warranty

The warranty shall not apply to the failure of any part or component of the bus that directly results from misuse, negligence, accident or repairs not conducted in accordance with the Contractor-provided maintenance manuals and with workmanship performed by adequately trained personnel in accordance with recognized standards of the industry. The warranty also shall be void if the Agency fails to conduct normal inspections and scheduled preventive maintenance procedures as recommended in the Contractor's maintenance manuals and if that omission caused the part or component failure. The Agency shall maintain documentation, auditable by the Contractor, verifying service activities in conformance with the Contractor's maintenance manuals.

Exceptions and Additions to Warranty

The warranty shall not apply to the following items:

- scheduled maintenance items
- normal wear-out items
- items furnished by the Agency

Should the Agency require the use of a specific product and has rejected the Contractor's request for an alternate product, then the standard Supplier warranty for that product shall be the only warranty provided to the Agency. This product will not be eligible under "Fleet Defects," below.

The Contractor shall not be required to provide warranty information for any warranty that is less than or equal to the warranty periods listed.

Pass-Through Warranty

Should the Contractor elect to not administer warranty claims on certain components and wish to transfer this responsibility to the sub-Suppliers, or to others, the Contractor shall request this waiver.

Contractor shall state in writing that the Agency's warranty reimbursements will not be impacted. The Contractor also shall state in writing any exceptions and reimbursement including all costs incurred in transport of vehicles and/or components. At any time during the warranty period, the Contractor may request approval from the Agency to assign its warranty obligations to others, but only on a case-by-case basis approved in writing by the Agency. Otherwise, the Contractor shall be solely responsible for the administration of the warranty as specified. Warranty administration by others does not eliminate the warranty liability and responsibility of the Contractor.

Superior Warranty

The Contractor shall pass on to the Agency any warranty offered by a component Supplier that is superior to that required herein. The Contractor shall provide a list to the Agency noting the conditions and limitations of the Superior Warranty not later than the start of production. The Superior Warranty shall not be administered by the Contractor.

Fleet Defects

Occurrence and Remedy

A Fleet Defect is defined as cumulative failures of twenty-five (25) percent of the same components in the same or similar application in a minimum fleet size of twelve (12) or more buses where such items are covered by warranty. A Fleet Defect shall apply only to the base warranty period in sections entitled

“Complete Bus,” “Propulsion System” and “Major Subsystems.” When a Fleet Defect is declared, the remaining warranty on that item/component stops. The warranty period does not restart until the Fleet Defect is corrected.

For the purpose of Fleet Defects, each option order shall be treated as a separate bus fleet. In addition, should there be a change in a major component within either the base order or an option order, the buses containing the new major component shall become a separate bus fleet for the purposes of Fleet Defects.

The Contractor shall correct a Fleet Defect under the warranty provisions defined in “Repair Procedures.” After correcting the Defect, the Agency and the Contractor shall mutually agree to and the Contractor shall promptly undertake and complete a work program reasonably designed to prevent the occurrence of the same Defect in all other buses and spare parts purchased under this Contract. Where the specific Defect can be solely attributed to particular identifiable part(s), the work program shall include redesign and/or replacement of only the defectively designed and/or manufactured part(s). In all other cases, the work program shall include inspection and/or correction of all of the buses in the fleet via a mutually agreed-to arrangement. The Contractor shall update, as necessary, technical support information (parts, service and operator’s manuals) due to changes resulting from warranty repairs. The Agency may immediately declare a Defect in design resulting in a safety hazard to be a Fleet Defect. The Contractor shall be responsible to furnish, install and replace all defective units.

Exceptions to Fleet Defect Provisions

The Fleet Defect warranty provisions shall not apply to Agency-supplied items, such as radios, fare collection equipment, communication systems and tires. In addition, Fleet Defects shall not apply to interior and exterior finishes, hoses, fittings and fabric.

Repair Procedures

Repair Performance

The Contractor is responsible for all warranty-covered repair Work. To the extent practicable, the Agency will allow the Contractor or its designated representative to perform such Work. At its discretion, the Agency may perform such Work if it determines it needs to do so based on transit service or other requirements. Such Work shall be reimbursed by the Contractor.

Repairs by the Contractor

If the Agency detects a Defect within the warranty periods defined in this section, it shall, within thirty (30) days, notify the Contractor’s designated representative. The Contractor or its designated representative shall, if requested, begin Work on warranty-covered repairs within five calendar days after receiving notification of a Defect from the Agency. The Agency shall make the bus available to complete repairs timely with the Contractor’s repair schedule.

The Contractor shall provide at its own expense all spare parts, tools and space required to complete repairs. At the Agency’s option, the Contractor may be required to remove the bus from the Agency’s property while repairs are being affected. If the bus is removed from the Agency’s property, repair procedures must be diligently pursued by the Contractor’s representative.

Repairs by the Agency

Parts Used

If the Agency performs the warranty-covered repairs, it shall correct or repair the Defect and any Related Defects utilizing parts supplied by the Contractor specifically for this repair. At its discretion, the Agency may use Contractor-specified parts available from its own stock if deemed in its best interests.

Contractor-Supplied Parts

The Agency may require that the Contractor supply parts for warranty-covered repairs being performed by the Agency. Those parts may be remanufactured but shall have the same form, fit and function, and warranty. The parts shall be shipped prepaid to the Agency from any source selected by the Contractor within fourteen (14) days of receipt of the request for said parts and shall not be subject to an Agency handling charge.

Defective Component Return

The Contractor may request that parts covered by the warranty be returned to the manufacturing plant. The freight costs for this action shall be paid by the Contractor. Materials should be returned in accordance with the procedures outlined in "Warranty Processing Procedures."

Failure Analysis

The Contractor shall, upon specific request of the Agency, provide a failure analysis of Fleet Defect or safety-related parts, or major components, removed from buses under the terms of the warranty that could affect fleet operation. Such reports shall be delivered within 60 days of the receipt of failed parts.

Reimbursement for Labor and Other Related Costs

The Agency shall be reimbursed by the Contractor for labor. The amount shall be determined by the Agency for a qualified mechanic at a straight time wage rate of [insert amount] per hour, which includes fringe benefits and overhead adjusted for the Agency's most recently published rate in effect at the time the Work is performed, plus the cost of towing the bus if such action was necessary and if the bus was in the normal service area. These wage and fringe benefit rates shall not exceed the rates in effect in the Agency's service garage at the time the Defect correction is made.

Reimbursement for Parts

The Agency shall be reimbursed by the Contractor for defective parts and for parts that must be replaced to correct the Defect. The reimbursement shall be at the current price at the time of repair and shall include taxes where applicable, plus fifteen (15) percent handling costs. Handling costs shall not be paid if part is supplied by Contractor and shipped to Agency.

Reimbursement Requirements

The Contractor shall respond to the warranty claim with an accept/reject decision including necessary failure analysis no later than sixty (60) days after the Agency submits the claim and defective part(s), when requested. Reimbursement for all accepted claims shall occur no later than sixty (60) days from the date of acceptance of a valid claim. The Agency may dispute rejected claims or claims for which the Contractor did not reimburse the full amount. The parties agree to review disputed warranty claims during the following quarter to reach an equitable decision to permit the disputed claim to be resolved and closed. The parties also agree to review all claims at least once per quarter throughout the entire warranty period to ensure that open claims are being tracked and properly dispositioned.

Warranty after Replacement/Repairs

If any component, unit or subsystem is repaired, rebuilt or replaced by the Contractor or by the Agency with the concurrence of the Contractor, the component, unit or subsystem shall have the unexpired warranty period of the original. Repairs shall not be warranted if the Contractor-provided or authorized parts are not used for the repair, unless the Contractor has failed to respond within five days, in accordance with "Repairs by the Contractor."

If an item is declared to be a Fleet Defect, the warranty stops with the declaration of the Fleet Defect. Once the Fleet Defect is corrected, the item(s) shall have three (3) months or remaining time and/or miles of the original warranty, whichever is greater. This remaining warranty period shall begin on the repair/replacement date for corrected items on each bus if the repairs are completed by the Contractor or on the date the Contractor provides all parts to the Agency.

Warranty Processing Procedures

The following list represents requirements by the Contractor to the Agency for processing warranty claims. One failure per bus per claim is allowed.

- bus number and VIN
- total vehicle life mileage at time of repair
- date of failure/repair
- acceptance/in-service date
- Contractor part number and description
- component serial number
- description of failure
- all costs associated with each failure/repair (invoices may be required for third-party costs):
 - towing
 - road calls
 - labor
 - materials
 - parts
 - handling
 - troubleshooting time

Forms

The Agency's forms will be accepted by the Contractor if all of the above information is included. Electronic submittal may be used if available between the Contractor and Agency.

Return of Parts

When returning defective parts to the Contractor, the Agency shall tag each part with the following:

- bus number and VIN
- claim number
- part number
- serial number (if available)

Timeframe

Each claim must be submitted no more than thirty (30) days from the date of failure and/or repair, whichever is later. All defective parts must be returned to the Contractor, when requested, no more than forty-five (45) days from date of repair.