 

May 26, 2023

**To All Plan holders**

Subject: CATS Transit Management Services RFP # 269-2023-1363

Addendum # 1

The following addendum items are valid amendments to the Bid Documents, and as noted, supersede the corresponding portions of the project plans and Bid Documents.

**If anyone has issues opening the attachments, please contact me at Todd.Holcomb@charlottenc.gov.**

Questions from Vendors:

1. Page 32, Section 3.6.11, Key Personnel. **What are the Key Personnel positions? The GM, and Senior Position in Service Operation and Vehicle Maintenance? Or are the Department heads & Superintendents included?**

Response: CATS prefers non-union positions be employees of the Service provider to include department heads, superintendents, supervisors, maintenance support staff, HR and Finance staff.

1. Page 34, Section 3.6.12, Retention non-Union Personnel: **Would you provide** **the list of nonunion employees, job title, current rate of pay, benefits and date of hire?**

Response: Total salary is attached by Department.



1. General Question - **It is understood that the current contract is a management contract, and the current contractor supplies 3 key personnel position and other corporate support, how is this rfp different?**

Response: This RFP has non-union employees to include dept head, supervisors, etc that can be an employee of the provider instead of TMOC. There is also an option to bid on taking over the Procurement function which currently is supporting by the City of Charlotte. It also includes KPI incentives which are not in the current contract.

1. General Question - **Under the current contract all operating expenses of TMOC, (not including the 3 Key Personnel) are reimbursed by CATS, how is this rfp different?**

Response: Reimbursements would include Unionized positions payroll and Benefits, Commodities including Fuel and parts. The parts would potentially go away if the Service Provider took over Procurement activities which would include parts. The City would continue to pay for fuel. Not reimbursed items would include monies put toward employee engagement, training, travel, conference fees, administrative dues, certifications, and subscriptions for non-maintenance diagnostic software.

1. Page 21, Section 3.2, General Scope - **‘Contractor shall, own, and operate a subsidiary corporation…’, would this be the current TMOC, or the new contractor would create a new corporation?**

Response: This would be TMOC.

1. Page 22, Section 3.4.4, Internet Wi-Fi - W**hat is the monthly cost of the city-provided internet services and what is the speed?** All costs will be covered by CATS as part of the lease agreement.

All CATS’ owned facilities are currently connected via path redundant 10Gbs fiber optic cabling directly to the City data centers. The primary data center has a 10Gbs connection to the internet and the back-up data center has a 1Gbs connection.

1. Page 23, Section 3.4.4-5.1 Email - **The current emails the service provider has are city of charlotte domain addresses, will the email addresses now need to change to a different email domain address?**

Response: Yes. The domain should be the vendor’s email address.

1. Page 90, Section 3.1, Not to exceed - **Does the monthly Not to Exceed amount include pension contributions?**

Response: CATS will reimburse salary and benefits for the protected 13c employees. The provider would cover all expenses for the non-union employees.

1. Page 29, Section 3.6.1, Organization - **Please provide the current organizational chart to include lines of authority**

Response: Organizational chart is provided. Labeled BOD Org Chart 2023. This is the current organizational chart and is not provided for you to duplicate. Each service provider should submit their organizational chart that aligns with industry best practices, providing efficiencies, elimination of redundancy and adequately provide senior leadership oversight for all hours of operations.

1. Page 136, Attach B, Required Form 4 – **#3 please define which positions are included in “Operations and Maintenance Staff”? Does this include drivers and maintenance technicians?**

Response: Non-union positions being employees of the provider and as such those operating expenses would not be reimbursed by CATS and should be part of your fixed monthly fee.

1. Page 136, Attach B, Required Form 4 – **#5 Please define which programmatic and management systems you will require**

Response: This cost is no longer required as this will all be in house. You should not cost this in your overall cost submission.

1. Page 11, Section 1.6.6 Inclusion Program - **Please confirm the MWSBE goal is 0%**

Response: Confirmed the goal set is 0%. The Charlotte Business Inclusion team reviewed the scope and found no vendors in this field, so no goal was set.



1. General Question - **Please provide copies of the monthly reports for the last 6 months**

Response: Attached. Labeled as BOD Report October 2022 – April 2023 –(6 reports)

1. General Question - **Please provide health benefits costs for union and nonunion positions**

Response: **Attachment added. Labeled TMC – 2023 Contribution Spreadsheet**

****

1. Page 76, Section 4.1 Proposal Content - **The proposal is required to be completed in table format. However, CATS is asking for a lot of detail including organizational charts and resumes, which will not fit in the required format. Would CATS allow proposers to instead type out the question (i.e., requested information) and answer it directly below the question (not in table format)? This will allow for better readability**

Response: As long as the information we require is listed you can submit it not in table format.

1. Page 3, Checklist Submission - **Would CATS allow for electronic submissions via email or Dropbox in lieu of hard copy submittals?**

Response: We do require the submission to be mailed in or dropped off.

1. Page 11, Section 1.6.6. **Since the subcontracting goal for this project has been set at 0%, please confirm that bidders are not required to conduct M/W/SBE outreach included on Form 5 M/W/SBE Utilization.**

Response: For Form 6 you just need to advise if you are an M/W/SBE or not. No outreach is required. If you have done or will be doing outreach, you can submit those where applicable.

1. Page 87, Section 2.4. **Please confirm if the existing pension(s) are sponsored by the City of Charlotte and identified in the trust agreements. Please identify the type of plan, if the plan is a defined contribution or defined benefit, the sponsor of the plan(s), who the plan(s) applies to, and a copy of the plan(s) documents.**

Response: Pension Plan has been added. Document Transit Management of Charlotte Pension Plan is separately attached at Charlotte website.

1. Page 22, Section 3.4.4 **The Contractor is responsible for reimbursing CATS for the cost of copiers and printers.  Please provide a list of the supplied copiers and printers and associated reimbursable costs.  It is also requested that this requirement be eliminated from the RFP as it is an operating expense.**

Response: After review, this cost will be removed from the RFP and should not be part of your submission. CATS will cover this cost.

1. Page 22, Section 3.4.4. **The Contractor is responsible for reimbursing CATS for Internet service.  Please provide the cost for this service to be reimbursed.  It is understood that this expense is reimbursable to the Contractor by the City and not to be included in the Contractor bid price.**

Response: CATS will cover this cost so it will be reimbursable.

1. Page 29, Section 3.6.1. **The Contractor is required to pay a penalty should the General Manager or any Key Employees leave within a 24-month time period.  Since the Contractor has no control over an employee's decision to leave or if removal of the employee is required for an extenuating circumstance, it is requested that the penalty be removed.  It is further suggested that CATS offer an incentive that will be paid to the Contractor should the General Manager and Key Employees stay for 24 months as a way to assist with attracting and retaining productive employees.  If the City does not agree, it is requested that this entire item be removed.**

Response: The Contractor is required to pay a penalty should the General Manager, or any Key Employees prove themselves incapable of substantially carrying out their duties and/or are fundamentally unsuitable for the services within a 24-month time period.  All employees assigned to this contract shall have such knowledge and experience as will enable them to perform the duties assigned to them.  CATS may instruct the Contractor to remove any employee from association with the contract if the work of that employee does not comply with the terms of the contract. This can be discussed more through the contract negotiation as well.

1. Page 64, Section 3.17.6  **The schedule of liquidated damages and incentives found in this section is consistent with a turnkey operation where a management company responds to defined quantities such as revenue miles and hours.  In our experience, it is highly unusual to find this type of methodology in a transit management service arrangement.  Planning to meet the extensive list of liquidations will drive cost into the proposal to include staff and oversight capacity above and beyond what would be considered typical.  Will CATS consider removing the liquidated damages from the solicitation?**

Response: Provider should prepare to provide adequate resources to meet the extensive list of liquidations.

1. Page 73, Section 3.21.1 **The Contractor is required to provide ERP software.  Please provide details and costs related to the ERP software that is currently in use.  Will this cost be reimbursed by CATS, or should this cost be included in the Contractor management fee?  Is it possible to continue use of the ERP software currently in place?**

Response: If Procurement stays under the City of Charlotte, the provider will be allowed to use what it in use by the City (Munis). If the provider takes over Procurement, then the provider shall purchase their own standalone ERP software. The Provider shall include Operational cost in the monthly fixed fee.

1. Page 74, Section 3.21.3(b) **Please clarify the current owner of the parts inventory.  Is it the current management company or the City?  If the latter, is it the intent of the City for the sub-corp to purchase the parts inventory at book value and then have the parts become a reimbursable expense to the City?  In a management type contract, the assets are all owned by the contracting agency which is CATS.  Without detailed information of parts usage, parts condition, parts age, and fleet condition it is impossible to determine the value of the credit that the Contractor will owe CATS.  It is requested that this requirement be removed entirely and that CATS be the sole owner of all assets managed by the Contractor.**

Response: If the Service Provider takes over the Procurement responsibility the parts will be purchased by the Provider from the City at fair market value. If Procurement stays with the City, the parts will also stay with the City.

1. Page 136, Form 4 Required Form 4**- This form requires details that are not normally identified in a management contract such as wages and benefits.  In addition, items such as service improvement and innovations are not known and therefore cannot be estimated.  It is requested that this form be removed, and a basic annual total bid amount pricing form be used.**

Response: CATS advises the offeror to provide pricing and propose a plan to cover the services as described.

1. Page 136, Form 4 Required Form 4**Please identify and explain any expenses that the City expects the Contractor to include in their management fee.  Please also provide the amounts currently budgeted for these items and any expected price changes known or anticipated.**

Response: Reimbursements would include Unionized positions payroll and Benefits, Commodities including Fuel and parts. Not reimbursed items would include monies put toward employee engagement, training, travel, conference fees, administrative dues, certifications, and subscriptions for non-maintenance diagnostic software.

1. Page 40, Section 3.11 **- Please explain in detail how the payroll and invoices are paid by the sub-corp.  Does the City provide the sub-corp with the necessary operating funds (working capital) to fund the payroll and operating expenses?**

Response: The Service Provider shall submit on the 5th business day of each month an invoice to the City. The Service Provider would finance the payroll and benefits. The City would pay the invoice on a monthly basis. The City would need details on services performed for the previous month including the number of hours worked broken down by day, employee hourly rate and task performed.

1. Page 40, Section 3.11 - **Please explain in detail how parts, supplies, and payroll are currently processed and how the funds are made available for payment.**

Response: If parts stay with the City, it would be reimbursable. The details on parts and supplies would need to accompany the invoice. Payroll is currently processed with a monthly invoice provided to the City on the 5th business day of each month and paid by the City monthly.

1. General Question - **Are there any take home vehicles provided for sub-corp positions?**

Response: Yes. General Manager, Director of Maintenance and Assistant general Manager currently have vehicles available.

1. Page 99, Fidelity Bond - **Per the RFP: A fidelity bond insuring against dishonesty and fraudulent acts, of the Company, its agents, and all employees, officers, directors and any independent Contractors or subcontractors in an amount of not less than one million dollars ($1,000,000). Please confirm that a Crime Insurance Policy is acceptable as a Fidelity Bond is no longer commercially available. The protection you are seeking is available through a Crime Policy.**

Response: **Yes. A Crime Policy is acceptable in place of the Fidelity Bond.**

1. Page 34, Section 3.6.11 – **Is the key personnel vacancy requirement 60 days or 45 days?**

Response: **45**

1. Page 34, Section 3.6.12 – **Please provide the current salaries of Administrative Staff (as defined in Section 2.2 of Attachment A)**

Response: Total salary is attached.



1. Page 34, Section 3.6.12 – **What are the current benefit plan designs for medical, dental, vision, life, and disability for Administrative Staff?**

Response: **Attachment added. TMOC – USI Medical Contribution Cost Summary.**



1. Page 34, Section 3.6.12 – **Please provide employee costs for all Benefits available to Administrative Staff**

Response: **Attachment added. Labeled Benefits Cost.**



1. Page 34, Section 3.6.12 – **Please provide employee demographic data with date of birth, gender, home zip code, and current benefit coverage tier for all Administrative Staff**

Response: Attachment added. Titled Demographics amended 05182023



1. Page 34, Section 3.6.12 – **Please provide a description of the retirement benefits available to Administrative Staff, including employer contribution, vesting schedule, and eligibility period.**

Response: Pension Plan has been added. Document Transit Management of Charlotte Pension Plan is separately attached at Charlotte website.

1. Page 86, Section 2.2 Sample Contract – **Please provide current CBA with TMOC**

Response: **CBA is a large file. Please e-mail** [**Todd.Holcomb@charlottenc.gov**](mailto:Todd.Holcomb@charlottenc.gov) **and I will give you access to this document.**

1. Page 86, Section 2.2 Sample Contract - **If we can't get the CBA, please provide:  
   1. Negotiated pay rates  
   2. Employee cost-sharing provisions for benefits  
   3. Current benefit plan designs (or an SPD)  
   4. Retirement benefit, including employer contributions, eligibility, vesting, Plan EIN and Number**

Response: **CBA is provided.**

1. Page 99, Section 15.2.2 Fidelity Bond.

This Insurance requirement is being replaced with a Crime Policy. The $1,000,000.00 amount remains the same.

1. Page 99, Section 15.3 City Insurance Requirements

To clarify, the City’s obligation per the contract is to cover auto (bus) liability, and that any associated general liability or workers compensation for operations and maintenance performed by the Contractor be insured by the Contractor.





