

PRE-PROPOSAL CONFERENCE SUMMARY
February 17, 2005, 10:00 AM

MAINTENANCE AND REPAIR SERVICES FOR
STATE-OWNED VEHICLES

PROJECT NUMBER: 050R5800170

The Pre-Proposal Conference for Maintenance and Repair Services for State-Owned Vehicles (#050R5800170) was called to order at 10:00 AM EST on February 17, 2005 by Robert W. Howells, Procurement Officer, in Room #240A, Department of Budget and Management, 45 Calvert Street, Annapolis, MD 21401.

Mr. Howells introduced himself and the other State personnel present:
Larry Williams; Administrator, State Fleet & Travel Program.

Mr. Howells asked everyone to sign the Sign-In Sheet and indicated that copies of the Sheet would be available after the meeting. There were 6 attendees at the conference and 3 vendors were represented.

A summary of this meeting and any questions and answers will be published and distributed to everyone that is known to have received a copy of the RFP, so all will have an equal opportunity to obtain the information.

M. Howells outlined the format for the meeting and explained the procedure for questions. It was explained that answers given verbally at the meeting are for clarification and informational purposes, but do not change the requirements of the RFP. Any changes to the written document must be in the form of an Amendment to the RFP.

Mr. Howells then conducted a review of Sections 1-General Information, 3-Proposal Format and 4-Evaluation Criteria of the RFP document covering the general requirements of State procurement. This review included:

Section 1 – General Information

Section 1.1-Summary Statement: This contract is for maintenance and repair services for the State-owned vehicle fleet. This will be a single award contract. The incumbent contract is primarily for maintenance and repair services. We have added a new component to this contract – an accident management program. This will be a 5-year contract. In the past contracts typically have been 2/3 years with renewal options. There has been some rethinking on this and you will probably see more straight term contracts. If you are awarded the contract, barring difficulty for nonperformance, you will have the contract for a 5-year period with no renewal option. The target date for awarding the contract is 5/1/2005 through 4/30/2010.

Section 1.4, Contract Type is an indefinite quantity contract with firm fixed unit prices. Offerors will be providing the State with fixed unit prices for various types of services--for management services per vehicle per month and for accident management services per vehicle. The contract will be for the fixed unit prices. We do not know exactly how many vehicles will be involved every month, so there will be an estimated contract amount based on a projection of number of vehicles, but that number can vary up or down depending on the size of the State fleet. The Financial Proposal is based on a model with estimated quantities of number vehicles. These are estimates, and not a guarantee of any maximum/minimum under this contract.

Sections 1.6 & 1.7 specify the Procurement Officer, Robert Howells, and the Contract Manager, Larry Williams. In the State procurement process, the Procurement Officer is responsible for everything regarding the solicitation up until the time of contract award. All questions and communications must be directed only to Mr. Howells. Once the contract is awarded, the project is handed off to Larry Williams who will administer it on a daily basis.

1.10 Questions can be asked at anytime. We prefer them to be e-mailed and will attempt to answer up to the due date for proposals, subject to the availability of time to prepare an answer and distribute it to all parties. Any questions asked regarding the substance of the specifications of the RFP are required to be published and provided equally to all parties known to have received the RFP.

1.11 Proposal Due (Closing) Date – **no later than 2:00 PM on March 16, 2005**. There will be no exceptions for delivery after the required time. Proposals must be delivered on-time or they *will not* be accepted.

1.12 Duration of Offer – By submitting a proposal, offerors are agreeing to hold their prices for 120 days from the due date.

1.13 If there are any revisions that change the terms and conditions of the RFP, they will be published in the form of an Amendment to the RFP and distributed to everyone.

1.20 Access to Public Records Act – The State of Maryland has the Access to Public Records Act. Identify in your proposal if there is anything that could be proprietary to your company because once the contract award is made, it will become public record and possibly subject to disclosure.

1.22 Mandatory Contractual Terms –The State’s contract (attached to the RFP Attachment A) may be somewhat different than other contracts that you have seen and is fairly rigid and not likely to be changed. If you are considering submitting a proposal, we recommend having the State’s contract reviewed by your legal counsel early on. Any problems, please address them to us as soon as possible.

1.25 Minority Business Enterprise—this contract does not have any MBE subcontracting requirement.

1.26 and 1.28 deal with payment of obligations to the State of Maryland (taxes, corporate registration, etc.) and proper registration to do business in the State. Please insure that all of your State obligations are up to date. If you are selected for contract award, we must get a clearance from the Comptroller. You will be given a limited opportunity to correct any problems, but if the problem is not resolved your firm could be passed-over.

1.27 Procurement Method – This contract is being done by competitive sealed proposals. The other type of procurement is competitive sealed bidding, which is primarily price-driven. This method is more flexible and provides a lot of latitude to talk to you for clarification on your proposals. After a review of your proposals we will likely invite you to have a discussion with the evaluation committee to ask you questions and allow you to clarify things and have a good understanding of what is being asked for in the contract. We also have the possibility of asking for Best and Final Offers if we find something in the document that we may need to change or clarify, or it is otherwise in the best interest of the State.

Section 3 – Proposal Format

This section describes exactly how you should prepare your proposal for submission. Provide two separate volumes: Technical and Financial. The format is explained in detail and should be used as your checklist in preparing the proposal. Prepare the proposal in the format requested.

Specifically state/identify in the Executive Summary section of your proposal any exceptions-items that you have a problem with in the contract or RFP. However, please be cautioned that Exceptions taken to the requirements of the RFP or Contract may disqualify your offer.

Be sure to acknowledge the receipt of Addenda or Amendments to the RFP, if any.

Section 4 – Evaluation Criteria and Selection Procedure

The proposals will be evaluation by a committee. Technical merit shall have greater weight than price.

Section 4.2 specifies the Technical Criteria in order of importance as to what will be looked for during proposal evaluation. The Management Plan that is proposed is the most important and will be given the most weight, etc. Four factors will be ranked and will result in a combined technical ranking.

We will open the Technical Proposal first and do a complete review. We will return your Financial Proposal unopened if your company is not qualified. Offerors that are technically qualified will be technically ranked, 1 through 10, for example. The Financial Proposals will then be opened and ranked lowest to highest. There will then be a blended ranking based on technical and financial. Technical is more important and will be given greater weight. Contract award may be made to a higher priced offeror, you do not necessarily need to be lowest price, but, technical merit must prove that you are worth the higher price.

The floor was then opened to questions on Sections 1, 3 and 4. There were no questions on these Sections.

Section 2 – Scope of Work

Mr. Williams made a few introductory remarks regarding the Scope of Work:

The Department of Budget and Management is not new to this management process. The agencies in the field have been using this process for over 12 years. It is a further step forward because we have gone from in years past just using the network, to presently using a limited system where we get advice from the current vendor, to now asking agencies to turn-over responsibility of approving vehicle maintenance up to \$1,000 to the winning vendor. We are not exactly sure how many agencies are going to participate in this contract, but any agency without a garage facility will be participating, which is consistent with the 5,000 that are currently participating in the program now.

We are also adding an accident management component now to what has been done before. We are not really clear about the magnitude of what the program is going to be. We hope everyone will be participating in it including, State Police, which has the largest accident incidence.

We have also added heavy-duty trucks as part of this new contract.

The floor was then opened to questions regarding the Scope of Work-Section 2:

QUESTION #1: What was the number of accidents per year?

ANSWER: In FY 2003 the number was 1,500 reported claims for automobiles. With the addition of the trucks the number of accidents is closer to 2,000.

QUESTION #2: Will the contractor be responsible for subrogation activities?

ANSWER: No. The state had considered using a vendor for subrogation but it was determined that the state cannot do it by law. Because the Treasurer's Office is the agency responsible for subrogation it was decided not to further pursue this service at this time.

QUESTION #3: What is the history of the percentage of vehicles involved in an accident that were actually repaired?

ANSWER: We do not have an exact number, but assume the majority of 65-70%. Some of the repairs did not meet the deductible necessarily so there was no action. It is an unknown factor because of the things that fall under the deductible how many of those repair activities would in fact go to this program. At some threshold the lower the deductible we want to encourage people to put it through the system so they can capture those costs. They do reimburse agencies where damages are under \$1,000 if they have the possibility to recover the money if it's not the fault of the state driver.

QUESTION #4: Please clarify regarding the billing points, there was discussion about consolidating monthly billings to each agency and it was mentioned there are about 50 agencies. However, there are also 400 billing accounts. Would the contractor be billing 400 invoices or 50 invoices?

ANSWER: Each unit should be provided with their own invoice. The issue is the number of accounts. Every account should get an invoice.

Financial Proposal – Attachment F

- 1) The Unit Prices per Month & per Incident are the actual prices the State will pay.
- 2) The Prices per Month and per Incident entered on the Financial Proposal Forms are to be fully loaded prices that include all costs/expenses associated with the provision of services. The unit prices are the only amounts that will be paid to the contractor. The contractor must lump into those unit prices all of their expenses for providing the services under this contract, overhead, whatever else.
- 3) The five-year total price is an estimate based on model quantities for the estimated number of vehicles and will be used only to compare the prices between offerors and decide on whom to award the contract. Once the contract is awarded, all payments will be based on those unit prices and the actual quantities of vehicles that are in the system at that time.

Attachments F-1, F-2, and F-3 will compose the Financial Proposal for the offeror. These three forms are what should be in the separate envelope labeled Financial Proposal.

F-1 and F-2 are essentially the same forms except F-1 is for sedans and light-duty trucks and F-2 is for medium and heavy-duty trucks. The format is the same and we are asking you to provide similar information.

This will be a five-year contract. The Price forms provide the ability for you to propose different prices in each of the 5 years. If you would like to decrease your prices over the out years of the contract, you may do that, or increase them, or keep them the same. In Column A for each of the contract years, there must be three unit prices stated- a dollar amount for the administration fee, the towing administration fee, and the accident administration fee. Then do the multiplication and come up with an estimated price for each year, add them all together and calculate a total estimated price for the five-year contract term. The same process is repeated for trucks. Sheet F-3 it is a summary of the two totals added to provide the five-year total estimated price for all types of vehicles. This is the number used to compare each offeror's price.

Mr. Howells asked attendees to submit any further specific questions in writing so that they could be carefully reviewed by the State and answered in writing. We would appreciate feedback and much rather hear criticism than to have no response on the proposal.

Mr. Howells thanked everyone for attending and indicated that a summary of the Pre-Proposal Conference, written answers to questions and possibly an Amendment to the RFP would be forthcoming.

The meeting was adjourned at 10:55 am.