Purchasing
540.332.3819

Staunton Virginia

Finance & Risk Management
540.332.3809

Department of Finance

To: **Potential Offerors**

Date: **May 21, 2020**

Subject: **Addendum #1** to **IFB E00120** dated **May 8, 2020**

Title: **FY20 Water Line Improvements**

Addendum #1 is issued to address the additions of the following items:

1) The **General Conditions** (page 13, Item 15.1) has been updated to incorporate the available option and forms required for the contractor to utilize an **Escrow Account Procedure** for retained funds in accordance with State Code 2.2-4334. (pgs 2-6 below)
2) The **Questions and Answers** due by May 20, 2020. (pgs 7-8 below)
3) Added an updated **Bid Schedule** that will replace the Bid Schedule found on page 16 of the Bid Documents. (pg 9 below)

Note: A signed acknowledgment of this addendum must be received at the location indicated on the solicitation either prior to the solicitation due date and hour or attached to your proposal. Signature on this addendum does not substitute for your signature on the original bid/proposal document. The original proposal document must be signed.

Respectfully,

C.

Chad Horvat, Finance Business Manager

____
Company Name of Offeror

____
Signature & Title

____
Date

ESCROW ACCOUNT ELECTION

ELECTION OF ESCROW ACCOUNT PROCEDURE FOR RETAINAGE

If determined to be the successful low bidder(s), the below signed elects to use the Escrow Account Procedure for retainage.

____

Write "Yes" or "No" on above line

If the successful bidder elects ("Yes") to use the Escrow Account Procedure for Retainage, the following "EscrowAgreement" form provided below shall be executed and submitted to the City within fifteen (15) calendar days after notification. If the "Escrow Agreement" form is not submitted within the fifteen (15) day period, the Contractor shall forfeit his rights to the use of the Escrow Account Procedure.

Company____

Authorized Signature____

This document must be completed & returned with bid submission.

ESCROW AGREEMENT
CITY OF STAUNTON, VIRGINIA

THIS AGREEMENT ("Agreement"), made and entered into this _______ day of ________________________, 20_____ by, between and among the City of Staunton, Virginia ("City" or Owner"), ____("Contractor"), ____(Name of Escrow Agent) ____(Address of Escrow Agent) a trust company, bank, or savings and loan institution (hereinafter referred to collectively as "Escrow Agent") with its principal office located in the Commonwealth of Virginia ("Commonwealth") and ____("Surety") provides:

I.

The City and the Contractor have entered into a contract dated ____ with respect to City of Staunton ITB No. _________________________ , for _____________________________ ____("Contract"). This Agreement is pursuant to, but in no way amends or modifies, the Contract. Payments made hereunder or the release of funds from escrow shall not be deemed approval or acceptance of performance by the Contractor. Payments should be made to ____ and mailed to ___________________ ____(Name and Address of Escrow Agent).

II.

In order to assure full and satisfactory performance by the Contractor of its obligations under the Contract, the City is required thereby to retain certain amounts otherwise due the Contractor. The Contractor has, with the approval of the City, elected to have these retained amounts held in escrow by the Escrow Agent. This agreement sets forth the terms of the escrow. The Escrow Agent shall not be deemed a party to, bound by, or required to inquire into the terms of the Contract or any other instrument or agreement between the City and the Contractor.

III.

The City shall from time to time pursuant to the Contract pay to the Escrow Agent amounts retained by it under the Contract. Except as to amounts actually withdrawn from escrow by the City, the Contractor shall look solely to the Escrow Agent for the payment of funds retained under the Contract and paid by the City to the Escrow Agent.

The risk of loss by diminution of the principal of any funds invested under the terms of the Contract shall be solely upon the Contractor.

Funds and securities held by the Escrow Agent pursuant to this Escrow Agreement shall not be subject to levy, garnishment, attachment, lien, or other process whatsoever. Contractor agrees not to assign, pledge, discount, sell or otherwise transfer or dispose of his interest in the escrow account or any part thereof, except to the Surety.

IV.

Upon receipt of checks drawn by the City and made payable to the Escrow Agent under this agreement, the Escrow Agent shall promptly notify the Contractor, negotiate the same and deposit or invest and reinvest the proceeds in approved securities in accordance with the written instructions of the Contractor. In no event shall the Escrow Agent invest the escrowed funds in any security not approved, as set forth in Section V. below.

V.

The following securities, and none other, are approved securities for all purposes of this Agreement:

(1) United States Treasury Bonds, United States Treasury Notes, United States Treasury Certificates of Indebtedness or United States Treasury Bills,

(2) Bonds, notes and other evidences of indebtedness unconditionally guaranteed as to the payment of principal and interest by the United States,

(3) Bonds or notes of the Commonwealth of Virginia,

(4) Bonds of any political subdivision of the Commonwealth of Virginia, if such bonds carried, at the time of purchase by the Escrow Agent or deposit by the Contractor, a Standard and Poor's or Moody's Investor Service rating of at least "A", and

(5) Certificates of deposit issued by commercial Banks located within the Commonwealth of Virginia, including, but not limited to, those insured by the Escrow Agent and its affiliates.

(6) Any bonds, notes, or other evidences of indebtedness listed in Sections (1) through (3) may be purchased pursuant to a repurchase agreement with a bank, within or without the Commonwealth of Virginia having a combined capital, surplus and undivided profit of not less than $25,000,000, provided the obligation of the bank to repurchase is within the time limitations established for investments as set forth herein. The repurchase agreement shall be considered a purchase of such securities even if title, and/or possession of such securities is not transferred to the Escrow Agent, so long as the repurchase obligation of the bank is collateralized by the securities themselves, and the securities have on the date of the repurchase agreement a fair market value equal to at least 100% of the amount of the repurchase obligation of the bank, and the securities are held by a third party, and segregated from other securities owned by the bank.

No security is approved hereunder which matures more than five (5) years after the date of its purchase by the Escrow Agent or deposit by the Contractor.

VI.

The Contractor may from time to time withdraw the whole or any portion of the escrowed funds by depositing with the Escrow Agent approved securities as set forth in Section V. above in an amount equal to, or in excess of, the amount so withdrawn. Any securities so deposited or withdrawn shall be valued at such time of deposit or withdrawal at the lower of par or market value, the latter as determined by the Escrow Agent. Any securities so deposited shall thereupon become a part of the escrowed fund.

Upon receipt of a direction signed by the City of Staunton Director of Finance or designee, the Escrow Agent shall pay the principal of the fund, or any specified amount thereof, to the City or the Contractor as the City may direct. If payment is to be made to the Staunton City Treasurer, it shall be made in cash or cash equivalent. However, if payment has been authorized to be made to the Contractor, the Contractor may specify to the Escrow Agent if payment is to be made in cash or in kind. Any such payment and delivery required hereunder shall be made as soon as is practicable after receipt of the direction.

VII.

For its services hereunder, the Escrow Agent shall be entitled to a reasonable fee in accordance with its published schedule of fees or as may be agreed upon by the Escrow Agent and the Contractor. Such fee and any other costs of administration of this Agreement shall be paid from the income earned upon the escrowed fund and, if such income is not sufficient to pay the same, by the Contractor.

VIII.

The net income earned and received upon the principal of the escrowed fund shall be paid over to the Contractor in quarterly or more frequent installments. Until so paid or applied to pay the Escrow Agent's fee or any other costs of administration, such income shall be deemed a part of the principal of the fund.

IX.

The Surety undertakes no obligation hereby but joins in this Agreement for the sole purpose of acknowledging that its obligations as surety for the Contractor's performance of the contract are not affected hereby.

X.

This Escrow Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia, without application of Virginia's conflict of law provisions. Venue and any actions for any litigation, suits, and claims arising from or connected with this Escrow Agreement and/or Contract referred to herein shall only be proper in the City of Staunton Circuit Court, or in the Staunton General District Court if the amount in controversy is within the jurisdictional limit of such court, and all partiesto this Escrow Agreement and/or such Contract voluntarily submit themselves to the jurisdiction and venue ofsuch courts, regardless of the actual location of such parties.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have signed this Escrow Agreement by their authorized representatives.

Attest: (if corporation)
Witness: (if individual)

____

____
Typed Name of Contractor

____
President/Vice-President;
Partner or Owner (Seal

Attest:

____
Bank Officer

____
Typed Name of Escrow Agent

____
Vice President

Witness:

____

____
Typed Name of Surety Company

By:______________________________
Attorney-In-Fact

Attest:

____
City Clerk

City of Staunton, Virginia

____
City Manager

Approved as to form:

____
City Attorney

Approved as to execution:

____
City Attorney

FY 20 Water Line Improvements

Addendum #1

Questions & Answers
(In no particular order)

Q: Is (was) Pre-Bid meeting mandatory?

A. No

Q: Can you provide a narrative of what the geotechnical testing requirements for the project will be (i.e. materials, frequency etc.) and also our assumption is that we will need to provide an independent testing agency to provide these tests, please confirm.

A: Per Technical Specification 104.1.3, testing may be required. Testing is typically not required as long as our inspector finds the Contractor to be following accepted procedures. If unsuitable materials are found, the City Inspector must sign off on the determination that the materials are "unsuitable" prior to proceeding with the work. If compaction is questionable, the Inspector can require compaction testing to verify. Concrete testing is not required for thrust blocks. In short, no testing is typically required for our water line replacement projects. As long as the specifications are followed, along with good workmanship, no geotechnical work is anticipated.

Q: Can you confirm that asphalt restoration is to occur per drawing no M-5 and where it states in this detail SM-9.5 Bituminous Concrete that the intent is for this to be Asphalt? Can you specify if mix is to be 9.5AL or 9.5A, and that the 2" depth shown is accurate? Can you also confirm that additional restoration i.e. Mill and overlay of streets is not required.

A: Detail M-5 is the correct detail for pavement restoration. Mill and overlay is not anticipated to be required. Bituminous concrete in the detail means asphalt. Either VDOT Standard SM-9.5 surface mix installed per VDOT specifications is acceptable. A 2" asphalt course is required as part of the patch. The limits of the repair are as shown on the detail. Additional pavement repair will have to be approved by the Inspector. A pay item has been added to the revised Bid Schedule for pavement repair beyond the limits called for on the detail.

Q: Can you expand on the requirements for surveys? Listed on the Bid schedule is As-builts by licensed surveyor. I had trouble following what exactly is required during the pre-bid explanation.

A: Contractor shall keep redline drawing of locations of bends and fittings, and submit to City at project closeout. Licensed surveyor shall field survey surface features (meters, valves, hydrants) and provide a CAD file to the City within 30 days of project closeout.

Q: Can the City provide a dump location for spoils?

A: No.

Q: The total LF of ductile iron in all line items seems to exceed the requested LF of full stone backfill, are there sections that do not require full stone backfill.

A: We do not anticipate that full stone backfill will be required for the entire project. The quantity shown is an estimate. Payment will be based on actual full stone backfill installed.

Q: Does the 340 LF of service lines require full stone backfill and if so is that covered by bid item #5?

A: Water service lines typically do not require full stone backfill. If service line trenches require full stone backfill, they will be paid for under a separate line item. See revised Bid Schedule.

Q: Is compaction testing required or is this approved visually by the inspector?

A: See #2 above.

Q: There is a type 3 connection listed in the bid schedule but not shown on the plans is this correct?

A: Current plans do not show at Type III connection. It is possible that the services in the vicinity of Station 12+75 on Mt. View could be installed as a Type III connection. Please provide pricing.

Q: Is it OK to close Mt. View to through traffic?

A: Yes, but access must be maintained at all times for EMS and residents.

Q: Will polywrap be required on pipe other than the zinc coated pipe?

A: No, the polywrap will only be required for the zinc coated pipe.

BID FORM
BID SCHEDULE
PROJECT: FY 20 WATER LINE IMPROVEMENTS
This document must be completed & returned with bid submission.

Bid No.	Item	Qty.	Unit	Unit Price	Item Total
	Miscellaneous				
1	Mobilization/Demobilization	1	LS		
2	Traffic Control & Temporary Signage	1	LS		
3	As-Builts by Licensed Surveyor	1	LS		
	Earthwork				
4	Solid Rock Excavation	160	CY		
5	Full Stone Backfill (VDOT 21A)	830	LF		
	Water Line				
6	6" Ductile Iron (Class 350) Water line	1030	LF		
7	6" Gate Valve and box	8	EA		
8	6" x 6" Tee	4	EA		
9	6" Fire Hydrant Assembly	2	EA		
10	Bends and Plugs	89	LBS		
11	Connect to Existing Water Line	3	EA		
12	Existing Water line Abandonment	3	EA		
13	3/4" Service Connection (Municipex Water Line)	275	LF		
14	1" Service Connection (Municipex Water Line)	65	LF		
15	Type I Service Connection	11	EA		
16	Type II-A Service Connection	2	EA		
17	Type II-B Service Connection	1	EA		
18	Type III Service Connection	1	EA		
19	1" Air Release Valve Assembly	1	EA		
20	6" Ductile Iron Metallic Zinc Coated Pipe with V-Bio Polywrap	200	LF		
21	Zinc Coated Bolt packs	5	EA		

TOTAL BASE BID: ______________________________

WORDS

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FIGURES

OPT	Optional Bid Items				
1	Epoxy Coated Bolt Packs	0	EA		
2	Pavement repair beyond limits of Det. M-5	50	SY		
3	Full Stone Backfill for Service Lines	50	LF		

AMOUNTS ARE TO BE SHOWN IN BOTH WORDS AND FIGURES.
IN CASE OF DISCREPANCY, THE AMOUNT IN WORDS WILL GOVERN.