

**RFP ADDENDUM # 3, RFP 2005-4 Arctic Resupply of Dry Cargo**

Project RFP 2005-4, Arctic Resupply of Dry Cargo	Project Title: RFP 2005-4, Arctic Resupply of Dry Cargo
Division/Region: Government of Nunavut, (CGS)	Client: Government of Nunavut
Community: Nunavut	Date of Issue: January 12, 2006
Contractor:	Consultant:

TO ALL BIDDERS

1. General:

- 1.1 This addendum shall be read in conjunction with the Drawings and Specification/RFP Document prepared for the above.
- 1.2 Where inconsistent with the above, this addendum shall govern. This addendum forms an integral part of the Contract Documents and shall be included therein.
- 1.3 No consideration shall be allowed for increased (extras) to the CONTRACT PRICE due to failure of the Contractor or Sub-contractor not being familiar with this addendum.
- 1.4 The Tenderer will insert in the Tender Form the numbers of the addenda received by him during the tendering period and taken into account by him in preparing his tender.

SCOPE OF THE ADDENDUM

Please be advised of the following responses, answers, to questions that have been submitted by potential respondent vendors to this RFP:

1. Rates/Price will be evaluated in the following manner. The rates will first be adjusted according the NNI Policy adjustments applicable to the Proponent's status under the NNI Policy. **The lowest (NNI adjusted) rate will receive the maximum points (10). Higher (NNI adjusted) rates will be awarded points as follows: for each 1% higher than the lowest rate, there will be a corresponding 3% reduction in points from the maximum points (10).** For example, a rate that is in excess of 30% of the lowest rate would receive the minimum points (1). After rating and awarding points, the point score will be multiplied by the assigned weight of 40 to arrive at the 'Weighted Points' as set out in the Proposal Rating Schedule. The rates proposed for all years will be considered.
2. Inuit Management and employment will be awarded points under the 'Inuit Labour' rating criteria (maximum 10 points). 'Inuit Labour' is defined in the NNI Policy as labour, including professional services, provided in any capacity by an Inuk or Inuit, and not necessarily through an Inuit Firm. Any proposed Inuit management training will be awarded points under the 'Training of Inuit' rating criteria (maximum 5 points).
3. Whether or not the proposal is conditional on GN Construction Contractor's Cargo will be considered when awarding points under the Methodology criteria and will not affect points awarded under the Rates/Price criteria.
4. A question has been raised with respect to the "scope" of the RFP. The RFP is intended to be all encompassing. The text should read Arctic Resupply and not Eastern Arctic Resupply. The areas of Nunavut to be covered through an award or awards of contracts through this RFP are outlined in Appendix 1: Cargo Resupply Areas.
5. In addition to the report required for GN Department's Cargo, Schedule "J"- Administrative Requirements, page 75 or the RFP, the Contractor shall provide by January 15th of each year of the Agreement, a report of information for Sealift Cargo (excluding GN Department's Cargo) containing

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the following information: weight, volume and Revenue Tonnes delineated by the following categories:

- a. Businesses,
 - b. Individuals,
 - c. Hamlet Councils,
 - d. Federal Departments and Agencies,
 - e. Community, and
 - f. Voyage
6. The Kitikmeot region is currently serviced through a common carrier. The common carrier is NTCL (Northern Transportation Company Limited). The GN does not have a contract with NTCL other than the “Cargo Documentation” for each shipment.
 7. Section 5 – Proposal Form, Item 5.13, for clarification: Vehicles up to 24 cubic meters per unit shall be at the applicable lateral or retrograde rate per Revenue Tonne to a maximum of \$1,500. Inoperable Vehicles accepted by the Contractor for transport shall be subject to the applicable rate per Revenue Tonne shall also be subject to the maximum.
 8. Both the Kivalliq and Kitikmeot regions utilize Tugs and Barges. Section 6.0 on page 56 of the RFP document addresses requirements for the Kivalliq region only.
 9. Definition 1.25 on page 93 of the RFP document “Port of Loading” or “Port of Exit” means the Port located at *City Name. Province and Territory* . It was noted that Territory should be included for clarity.
 10. Appendix 1, page 45 of the RFP document, the word “Other” in area G refers to the Kitikmeot Region other than Kugaaruk beyond Nanisivik.
 11. As is outlined in Appendix 1, proponents may offer resupply services for any area or combination of areas however, they may not change the communities within the areas specified.
 12. The phrase “Arctic Resupply Program” is used throughout the RFP document. This phrase refers to the resupply program of services as requested in the RFP document and to be offered by proponents. The phrase may be further defined as the seasonal resupply of dry cargo from southern Canada to Nunavut Arctic Resupply Users. Arctic Resupply Users are defined on page 93 of the RFP document.
 13. The scope of the definition of the term “Arctic Resupply User” is broad and inclusive. The definition has been expanded to increase the total potential volume of the contract. The GN has always required carriers to provide rates and contract provisions broadly to Nunavummiut. This RFP is simply defining what the obligation of the carrier will be.
 14. The term “Preferred Vendors” refers to the vendor or vendors with whom the GN enters into a formal contractual agreement as a result of this RFP process. The current RFP maintains the government of Nunavut long standing policy with regards to Arctic Resupply and tendering for preferred vendors. In the event that contracts are to be awarded to multiple contractors, the GN will negotiate independently with each contractor towards the successful conclusion of a

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contract.

15. A cut-off has not been identified beyond which the GN can not make changes to the RFP document through the issuance of Addenda. The GN will allow reasonable time to respond to any changes to the RFP.
16. The Dispute Resolutions Board has as its role to adjudicate NNI issues and disputes that may arise from competitive contracting processes. Neither of the NTI or NNI organizations have input into the evaluation criteria nor the evaluation process. Attached please find the NNI revisions document (dated November 2003) which outlines the NNI appeals process and the jurisdiction for the NNI appeals board.
17. The GN will not be identifying the individuals on the evaluation committee. Representatives from the consultants "The Mariport Group Ltd." will assist the GN with evaluations of the RFP responses.
18. The RFP document outlines that the GN anticipates choosing a preferred vendor or preferred vendors as a result of this process. The GN anticipates that the competitive process will provide leverage regarding reduced rates, and that the opportunity for a stable relationship following award will give carriers the incentive to incorporate cost savings features into their service.
19. The RFP document incorporates many aspects of the recent "Resupply Study". The Study is still in draft format and has not yet been released.
20. With respect to Section 2.4, Kivalliq Region: Port of Exit – Churchill or Montreal: The GN is cognizant of other related freight costs (packaging, rail and transport costing) and will take them into account. Such costs are not directly included in the evaluation formula.
21. Any penalties to be applied to contracts related to service into Nanisivik will be negotiated with the successful contractor. These will be determined following agreement with CCG (Canadian Cost Guard) regarding transshipment costs between Nanisivik and Kugaaruk.
22. The Resupply Study has indicated that cost savings may be realized through the use of containers and containerization. The RFP document states that the use of containers is currently limited and that GN practices are not well suited to containers. This is due to the general lack of facilities such as heated warehouses and secure compounds.
23. HNS is defined as Hazardous Noxious Substances. The current language within the RFP is designed to permit carriers to recover their incremental costs for all HNS cargo.
24. The GN anticipates working with preferred/selected contractors to develop a program to handle Retrograde Cargo and Recyclables.
25. It is not intended that containers being positioned for retrograde solid waste should shut out resupply cargo, hence the suggestion in 3.1.9, page 15, that contractors should consider special types of containers, such as half heights that could also be for certain types of northbound cargo.

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26. Bid adjustments will be awarded based on NNI and NTI company registration which considers company ownership. The RFP outlines that Contractors are encouraged to identify their associations and business dealings with Inuit Firms. This will be taken into consideration under the Inuit content evaluations.
27. Reference Section 1 – Instructions to Proponents, Clause 21 and Section 4, 4.2 NNI Policy: **Proponents for Area ‘C’ Iqaluit that are ‘Local’ businesses (as defined in the NNI Policy) to Iqaluit will receive local preference.** Proponents for Area ‘F’ Kugaaruk that are ‘Local’ businesses (as defined in the NNI Policy) to Kugaaruk will receive local preference. For areas other than Area ‘C’ Iqaluit and Area ‘F’ Kugaaruk, ‘Local’ preference will not be applicable to this Request for Proposals.
28. For Kugaaruk cargo, if proponents are proposing solutions for the Kugaaruk cargo as far as Nanisivik then it is in Area A. If proposing solutions direct to Kugaaruk, then it is Area F.
29. With respect to Reefer Cargo, the contractor is not obligated to offer freezer or chill cargo facilities although they may wish to do so. Should a Contractor wish to propose offering Reefer Cargo facilities, it is anticipated that they will fully outline the level of service including the proposed pricing and any other conditions.
30. Annex “D” – Equipment Particulars, page 27 of the RFP, the fourth bulleted point should read:
 - “the maximum lifting capacity of equipment”,
31. The topic of “Deadfreight” has been left out of this RFP. The GN has never paid for Deadfreight.
32. Section 5-Proposal Form includes the term “\$ per tonne. The point has been raised that it should read “\$ per revenue tonne”. The GN will agree with this interpretation.
33. Schedule “F” – Contract Security Requirements, Section 2.2, states that the “performance bond and labour and material payment bond ...must be in place for the duration of the contract”. For this bonding requirement, it will be acceptable for the bond to be issued for a period of one year and be renewable on an annual basis.
34. Schedule “F” – Contract Security Requirements, Section 2.4, shall be altered to read as follows: “For the purposes of this Schedule, the contract amount will be based on GN Department’s Cargo, and if the volume is indicated in advance, GN Contractors Cargo.
35. Schedule “G” – Contractors Insurances – Proponents are reminded that the rates for optional cargo insurance to be offered must be posted on the Contractor’s web site at the beginning of each season.
36. Schedule “J” – Administrative Requirements, page 74 item 6, a reference is made to Clauses 2.6 and 2.9.3. Clause 2.9.3 should read 2.8, 3rd bullet.

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37. On page 78 item 14, the last sentence should also include "... The Carrier has the right to refuse goods that are too bulky or heavy for its ships' and/or equipments' capacity."
38. Schedule "K" – General Conditions of Carriage, outlines that "the Hague-Visby Rules on the water carriage of goods do not apply to this contract". Clause 32 on page 82 does not include the entire Hague-Visby Rules. Only section 4bis and part of article IV of the Hague-Visby Rules apply with specific wording that respond to the realities of arctic resupply and are included on page 83 or the RFP. Only relevant sections of the Hague-Visby rules have been retained.
39. Schedule "K" – General Conditions of Carriage, page 76 on the bold print, clearly stated that "This contract is not covered by any bill of lading". On page 85 item 5(c) 2nd line, the word bill of lading should be replaced by cargo manifest.
40. With respect to Arctic Resupply Users and access to GN contract terms and conditions, the agreement and Schedules A, B, C, D, E, F, G, H & J are the confidential terms and conditions under which the contractor performs. Schedule K and I are the publicly available contract terms of carriage. The contractor abides by all Schedules.
41. Discussion of "Force Majeure" is covered on page 85m Item 2(q) and by the incorporation of the Article IV Hague-Visby Rules defenses.
42. Schedule "K" General Conditions of Carriage, Article 14, page 78 covers the carriers ability to refuse certain cargo.
43. Customers with poor credit ratings are handled in accordance with Schedule "K" General Conditions of Carriage, Articles 5 and 6.

END OF ADDENDUM