

KEYS BID 16-22 SPECIFICATIONS FOR THE PURCHASE OF TRANSFORMERS

ADDENDUM 1

Keys Energy Services (KEYS) gives notice to prospective bidders that the Bid opening meeting date is hereby extended to **June 3, 2022, at 1:30pm**. Sealed proposals will be received by KEYS electronically on or before the time for opening proposals.

The Question period will be extended to **May 20, 2022**. Bid opening meeting information is included below.

**KEYS Bid Opening Meeting 16-22
Fri, Jun 3, 2022 1:30 PM - 2:00 PM (EDT)**

Please join my meeting from your computer, tablet or smartphone.
<https://meet.goto.com/294666565>

You can also dial in using your phone.
United States (Toll Free): [1 866 899 4679](tel:18668994679)
United States: [+1 \(571\) 317-3116](tel:+15713173116)

Access Code: 294-666-565

Questions and Answers:

- 1) With the current quote volume at Howard, we would need an extension until 05-31-2022. Please let me know if you are able to accommodate and extend the due date for submittal.

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- 2) In the specifications for the purchase of transformers section **SUPPLY BOND**, it states that Keys Energy requires a Supply Bond for the total contract award. Given the current market conditions with supply chain constraints, complications with labor and Covid-19, it would be very difficult to guarantee the price and delivery over the 60+ week lead-time . We would not be able to supply the Supply Bond based on this.

Any exceptions to this provision should be noted separately in proposal.

- 3) Please specify if this is a spot buy or a contractual agreement as the specification indicates this is an agreement for one year. If this is a year agreement, will Keys Energy accept the Howard Industries pricing index for price adjustment? If this is one year agreement, our bid would be priced with escalation /de-escalation clause as well as the following note:

“DUE TO THE CURRENT COST VOLATILITY, HOWARD INDUSTRIES RESERVES THE RIGHT TO CHANGE PRICES AT ANY TIME TO COVER INCREASES IN THE KEY TRANSFORMER COST FACTORS BEYOND THE COMPANY’S CONTROL DUE TO COVID-19, LABOR AND RAW MATERIAL SHORTAGES, AS WELL AS OTHER SUPPLY CHAIN DISRUPTIONS, HOWARD

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INDUSTRIES RESERVES THE RIGHT TO MODIFY LEAD TIMES AT ANY TIME ON BOTH ORDERS THAT HAVE ALREADY BEEN PLACED AND ON FUTURE

This is a spot buy purchase and any exceptions should be noted separately in proposal.

- 4) We are wanting to know if you will accept transformers manufactured in Columbia?

Please note exceptions separately in your proposal and KEYS will take exceptions into consideration.