



U N I V E R S I T Y O F
SOUTH CAROLINA

AMENDMENT NO. 1 TO SOLICITATION

TO: ALL VENDORS

FROM: Charles Johnson, Procurement Manager

SUBJECT: SOLICITATION NUMBER: USC-RFP-1643-CJ

EXCLUSIVE AGENT FOR THE OPERATION OF THE UNIVERSITY OF SOUTH CAROLINA CLASS RING PROGRAM

DATE: March 2, 2010

This Amendment **No. 1** modifies the Request For Proposals only in the manner and to the extent as stated herein.

BIDDER SHALL ACKNOWLEDGE RECEIPT OF AMENDMENT **NO. 1** IN THE SPACE PROVIDED BELOW AND RETURN IT WITH THEIR BID RESPONSE. FAILURE TO DO SO MAY SUBJECT BID TO REJECTION.

Authorized Signature

Name of Offeror

Date

THE FOLLOWING QUESTIONS REGARDING THE CLASS RING PROGRAM RFP WERE RECEIVED FROM VENDOR A:

QUESTION 1: We believe you have two sizes in your rings for the men – are they both priced the same?

ANSWER: There is only 1 size ring for men.

QUESTION 2: What is the pennyweight (dwt) associated with each of the ring styles?

ANSWER: Men's is 12.272 dwt, Women's is 5.104 dwt

QUESTION 3: What gold level was used to compute your current ring prices?

ANSWER: \$1,070 is the gold basis.

QUESTION 4: What is the licensing percentage applied to the rings?

ANSWER: The licensing royalty is paid thru The Collegiate Licensing Company at \$ 10 per ring shipped.

QUESTION 5: How is the guarantee on commissions paid to you? Is it paid as rings are sold and then settled up at the end of the year or how is this structured?

ANSWER: The per ring commission funds are transferred electronically to the University Office of Finance and Planning, Business Affairs within 15 days of the end of the previous month based on the sales of rings shipped for the month. Monthly reports showing each ring order and the number of rings sold and shipped are emailed to the University. At the end of June, the number of rings shipped is compared to the guarantee amount and any difference is paid to the University.

THE FOLLOWING QUESTIONS REGARDING THE CLASS RING PROGRAM RFP WERE RECEIVED FROM VENDOR B:

QUESTION 1: Can electronic copies of the bid be submitted in pdf file format?

ANSWER: No. Electronic copies of proposals must be submitted on CD-ROM. Please refer to the Magnetic Media – Required Format clause in Section II. Instructions To Offerors – B. Special Instructions of the solicitation.

QUESTION 2: . What will be the deciding factor(s) for the University to choose five or seven year contracts other than the evaluation criteria listed?

ANSWER: Any differences in the 5 and 7 year proposals will be evaluated utilizing the stated evaluation factors in determining whether the contract is awarded for 5 or 7 years.

QUESTION 3: Are bidders to make two separate proposals – one for five year and one for seven year? If yes, are we to answer each of the requirements separately? As two separate docs? Or just indicate differences within the response areas?

ANSWER: No, bidders are not required to submit two separate proposals. One proposal can be submitted as long as it indicates any differences between a 5 and 7 year term.

QUESTION 4: Are samples of the rings required to be submitted with the bid response?

ANSWER: Yes. We would like to see samples of rings of the same size, weight and metals as specified for our rings, although they do not have to be University of South Carolina rings. These will be returned to all unsuccessful offerors when the new contract is awarded.

THE FOLLOWING QUESTIONS / REQUEST FOR CLARIFICATION REGARDING THE CLASS RING PROGRAM RFP WERE RECEIVED FROM VENDOR C:

REQUEST FOR CLARIFICATION: Page 7, Section B also solicits input regarding any aspect of the solicitation deemed inappropriate. **Item IV. Information For Offerors To Submit,**

Section 3. Relevant Experience: Subsection C “. . . must provide a reference list of at least ten (10) colleges or universities . . .” We deem this requirement to be arbitrary in determining a qualified offer. With over 90 years of experience providing various types of successful ring programs we believe the quality of experience should take precedent over the quantity or number of such programs. An alternative approach to the issue of experience may be to inquire from each offeror as to any similar programs which have failed or not been renewed.

CLARIFICATION: In lieu of this requirement, we will accept five (5) references from accounts of similar size in terms of annual number of rings sold that have been in place for at least five (5) years.

QUESTION: Licensing Restrictions, page 12

1) What is the standard royalty fee required by CLC?

ANSWER: \$ 10 per ring.

2) Is it a flat fee per ring or a fixed percentage of the actual sell price?

ANSWER: Flat fee.

3) Is the licensing fee fixed for the length of the contract?

ANSWER: Yes

QUESTION: Contractor Responsibilities – Section 1, page 12: states. . . “first year contract prices must be the same as current school year regardless of any increase in the market price of gold.”

- What was the per oz. price of gold SY 09-10 prices were based on?

ANSWER: \$1,070 is the gold basis.

- Can prices fluctuate annually based on the market price of gold including year one?

ANSWER: Ring prices for year 1 of the contract term may not exceed current pricing for the current women’s and men’s style of the official class ring in both 10k and 14k gold.

Any increases in prices after the first year of the contract must be based on documented increases in costs of gold or other contract costs

QUESTION: Contractor Responsibilities – Section 2, page 12: . . . “states that offer must provide rings equal to the weight requirements of the current ring.”

1) Please provide pennyweight for current ring styles based on 10k gold.

ANSWER: Men’s is 12.272 dwt, Women’s is 5.104 dwt

QUESTION: Contractor Responsibilities – Section 3, page 12

1) Please provide attendance breakdown for each ring ceremony for the past two years?

ANSWER: Annually, in total for both ring ceremonies, we average 450 students and 700-800 parents/family members.

QUESTION: Contractor Responsibilities – Section 4, page 12

1) Please provide quarterly breakdown of unit sales for SY07-08 and SY08-09.

**ANSWER: FY 07-08: July-Sept 75, Oct-Dec 638, Jan-Mar 52, Apr-Jun 471 = Total 1,236
FY 08-09: July-Sept 69, Oct-Dec 569, Jan-Mar 38, April-Jun 377 = Total 1,053**

2) Please provide unit sales breakdown by quality, gender and class year for SY 08-09.

ANSWER:

Summary by Metal

Metal	Qty
10K	787
14K	238
18K	29

Summary by Gender

Gender	Qty
Men	548
Women	506

**Summary of Sales Year by Class Year
For '08-'09**

Year	Qty
1954	1
1955	1
1966	1
1969	2
1970	1
1971	3
1972	1
1974	2
1975	1
1976	1
1977	1
1979	3
1980	3
1981	4
1982	2
1983	3
1984	1
1985	3
1986	1
1987	3
1988	2
1989	1
1991	3
1992	2
1993	1
1994	1
1995	2
1996	2
1997	3
1998	2
1999	1
2000	1
2001	3
2002	1

2003	4
2004	5
2005	6
2006	10
2007	9
2008	174
2009	531
2010	230
2011	11
2012	4
2013	1
2014	1
9999	5

9999 is an unknown graduation year. Those with 9999 for no year are bought by students who do not want a year added.

3) Do unit sales quantities include any rings other than “official class rings”?

ANSWER: No, only official rings are included in the shipped ring sales numbers.

QUESTION: Contractor Responsibilities, page 12

1) Are shipping and handling fees currently assessed in addition to the list price of the ring?

ANSWER: YES

2) Is the sale of non-gold “alternative metals” allowable?

ANSWER: YES, with prior approval of the University

QUESTION: Fixed Pricing Required, p. 16 . . . “contractor’s price shall be fixed for duration of contract.”

1) How/when are adjustments made allowing for increases in gold cost?

ANSWER: The University has allowed the adjustment of prices up to twice a year based on the fluctuation of gold market rates. In FY09, we held pricing for the year. In FY10, there was an increase in the fall and in the spring. Per the RFP, ring prices for year 1 of the contract term may not exceed current pricing for the current women's and men's style of the official class ring in both 10k and 14k gold. Any increases in prices after the first year of the contract must be based on documented increases in costs of gold or other contract costs.

Changes in the retail price of the rings are made in accordance with changes in the Consumer Price Index. Changes in the cost of postage or shipping charges, and adjustments required as the result of changes in the material cost of gold, metal alloys containing platinum, palladium and/or silver. Retail prices are also adjusted with any modifications to commission or royalty rates. The GVC or Gold Value Charge is the factor used in adjusting precious metal ring prices and is calculated on a fixed price of gold and can change.

Changes to retail pricing to reflect a change in GVC up or down will be administered at the beginning of the Fall and Spring semesters or in advance of a major marketing campaign. The following formula is used to determine the change in price due to increases in the market price of gold.

Change in gold market x Gold Factor x Ring Pennyweight (dwt) then rounded to the nearest \$5 increment. For example, if the gold price increases \$20 per ounce, the formula to calculate the increase for a 10K gold ring on an

11 dwt ring is as follows: $\$20 \times .022 \times 11 \text{ dwt} = \4.84 .

The following factors will be used for each karat gold:

10K = .022

14K = .030

18K = .039

QUESTION: Commission

1) Has contractor or school exercised option to terminate agreement with current supplier?

ANSWER: No

2) What is the current time frame arrangement for revenue payments to the Alumni Association?

ANSWER: The per ring commission funds are transferred electronically to the University Office of Finance and Planning, Business Affairs within 15 days of the end of the previous

month based on the sales of rings shipped for the month. Monthly reports showing each ring order and the number of rings sold and shipped are emailed to the University. At the end of June, the number of rings shipped is compared to the guarantee amount and any difference is paid to the University.