



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-1892-CJ
DRINK VENDING SERVICES FOR THE BEAUFORT, COLUMBIA, AND UNION CAMPUSES OF
THE UNIVERSITY OF SOUTH CAROLINA

DATE: February 28, 2011

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 WERE RECEIVED FROM VENDOR A:

QUESTION: Can a multiple offers be submitted in one RFP?

ANSWER: Please refer to Paragraph (b) Multiple Offers of the Responsiveness / Improper Offers clause in Section II. Instructions to Offerors - A. General Instructions for information on how to submit more than one offer.

QUESTION: Can you describe how the RFP will be judged to determine the Highest Bidder?

ANSWER: Offers will be evaluated by the evaluation committee members using only the factors stated below. Evaluation factors are stated in the relative order of importance, with the first factor being the most important. Once evaluation is complete, all responsive offerors will be ranked from most advantageous to least advantageous.

1. Offeror's Financial Offer.
2. Offeror's Strategy for Increasing Revenue.
3. Offeror's Previous Experience.

The offeror whose proposal is ranked most advantageous is the highest ranked offeror.

THE FOLLOWING QUESTIONS WERE RECEIVED FROM VENDOR B:

Page 13 of 52

3.2. Description of Scope of Work

Drink vending services are currently provided by contract to the University of South Carolina's campuses. The University is interested in establishing a new seven year (7) contract or contracts for the Columbia, Beaufort, Lancaster and Union campuses to provide for exclusive vending from automatic vending machines of soft drinks, isotonic sports drinks, juice, energy drinks and other beverages. Other campuses may be added to the contract through negotiation during the term of the contract as desired by the University. For the Columbia campus only, water will be provided on a non-exclusive basis, and the contract will not apply to areas assigned to and managed by the Athletics Department. This contract does not include soft drink sales or pouring rights in any University venues, fountain drinks or coffee machine pouring services, or the sale of beverages in any campus locations operated by the University or its contractors. For the Columbia campus, the University will provide the contractor the right of first refusal to vend water at any location where water is not currently being machine vended. There are currently eight (8) locations where water is vended by a vendor other than the drink vending contractor. Those locations are: the Blatt PE Center, Strom Thurmond Wellness Fitness Center, Bates House lobby, Coker Life Sciences Building, Moore School of Business, Pendleton Street parking garage, School of Music and the Honors Residence Hall. These current eight (8) machines may be

relocated or replaced during the term of this contract, and if so, the right of first refusal will not apply to the relocation of these eight (8) machines.

QUESTION: When does the current contract with Atlas Foods expire on the Columbia campus? Will there be an opportunity to gain the vended water business exclusively at that point?

ANSWER: The current contract with Atlas Foods expires on June 30, 2015. There are no plans at this time to remove the rights to vend water from that contract when it is resolicited at the locations that are currently a part of that contract. If the new snack vending contractor does not wish to continue providing this service, we will give the successful contractor on this contract the right of first refusal to provide those services.

Page 15 of 52

3.3.8 The Contractor shall utilize a single contract employee representative to work with each campus in the contract that is awarded from this solicitation. The Contractor will provide a professional manager who will be accessible to university staff and knowledgeable about the University and all aspects of the beverage program, and who has full authority to make operational decisions on behalf of the Contractor.

QUESTION: Please clarify what you mean by a “single contract employee representative.” Does this mean one representative for each campus or one that oversees all campuses?

ANSWER: We require that single representative be provided who can be our central point of contact for all questions regarding the contract for all campuses.

Page 16 of 52

3.4.4 Vending machines must comply with U.S. Department of Energy mandatory energy efficiency standards for refrigerated beverage machines that will reduce energy consumption.

QUESTION: What are the “U.S. Department of Energy mandatory energy efficiency standards?” Is this a change in any way to the current vending machines on each campus?

ANSWER: This web site from the US Department of Energy has the energy conservation standards. See, http://www1.eere.energy.gov/buildings/appliance_standards/commercial/beverage_machines.html

3.6.1 COLUMBIA CAMPUS

The contractor will be responsible for ensuring that all 91 machines that have card readers currently will continue to have card readers. The contractor will also be responsible for removing vending debit card readers when repair and/or replacement is necessary. Contractor must maintain in their inventory a minimum of two (2) spare working card readers available for immediate replacement of non-working readers. All activities related to the vending debit card readers must be coordinated with the University's CarolinaCard Office. The list of machines on the Columbia Campus that already have card readers, machines that need card readers immediately, and machines that need readers (12) within the term of the contract can be found in Attachment 4.

QUESTION: What is the total number of card readers expected on the Columbia campus? Is it 91? Or is the expectation to add more?

ANSWER: The current 91 machines will be required to have card readers and readers must be added to 12 additional machines.

3.6.3 LANCASTER CAMPUS

The Lancaster Campus of the University of South Carolina will implement the use of the CarolinaCard reader on its machines. The campus has three (3) 12oz can machines, six (6) 20 oz bottle machines and 1 Powerade machine. By September 1, 2011, card readers must be installed on three (3) of the can machines and six (6) of the bottle machines. Additional card readers may be required to be added during the term of the contract as specified by the Lancaster Campus.

QUESTION: Can this be changed from "must be installed" to "could be installed?"

Comment: Because of the low number of productive machines, card readers may not be the best investment on all machines, particularly can machines.

ANSWER: This subsection of Section III of the solicitation is amended to read as follows:

3.6.3 LANCASTER CAMPUS

The Lancaster Campus of the University of South Carolina will use the CarolinaCard reader on certain of its machines. The campus has three (3) 12oz can machines, six (6) 20 oz bottle machines and 1 Powerade machine. By September 1, 2011, card readers must be installed on three machines that are chosen by the University. Additional card readers

may be requested to be added during the term of the contract as specified by the Lancaster Campus.

Page 17 of 52

3.6.4 UNION CAMPUS

The Union Campus of the University of South Carolina will implement the use of the CarolinaCard readers on its machines. The campus has two (2) 20 oz bottle machines currently, and the contractor must be prepared to install card readers on any or all of these as requested by the Union campus.

QUESTION: Are the two (2) card readers for the Union Campus mandatory or optional to add in the future?

ANSWER: Union campus requires two readers upon implementation of CarolinaCard on their campus in Spring 2011 for use in Fall 2011, so this requirement is mandatory.

Page 17 of 52

3.7.2 The University shall have the exclusive right to select the various flavors or types of products to be vended.

QUESTION: Can this be changed from “The University shall have the exclusive right...” to “Flavor selection will be made by mutual agreement...?”

Comment: Not all products within our warehouse are suitable for vending or readily available enough in vending to ensure operational excellence relative to being available and sellable within acceptable date codes.

ANSWER: Yes, the University is agreeable to changing this subsection of Section III of the solicitation to read as follows:

3.7.2 The University and the contractor will mutually agree upon the flavors and types of products to be vended on campus. However, the University can direct the sale of any product to cease if it, in its sole discretion, determines that the sale of such product poses a threat to the health or well being of the students, faculty, staff or visitors to the campus.

3.9.2 The contractor must have trained, competent repair persons available within twenty-four (24) hours to make repairs to the vending machines as needed. The contractor must provide a name and a telephone number to serve as a central point of contact for the University in reporting service problems.

QUESTION: Can this be changed to “available within twenty-four hours in most cases?”

Comment: Weekends, holidays, proximity of other machines, priority of the repair issue, need to order necessary parts may make it either impossible or unnecessary to every call to take place within twenty-four hours.

ANSWER: This subsection of Section III of the solicitation is amended to read as follows:

3.9.2 The contractor must have trained, competent repair persons available within twenty-four (24) hours to make repairs to the vending machines as needed. The contractor must provide a name and a telephone number to serve as a central point of contact for the University in reporting service problems. If the repair cannot be completed within this time frame, the contractor must e-mail the University’s designee to make him/her aware of the circumstances that prevent the repair from being done within a 24 hour timeframe.

3.11.1.1 Columbia Campus

The contractor understands and agrees that the annual amount paid to the University relative to sales made under the terms of the contract will not be less than the guaranteed minimum annual amount of \$415,000 for year one of the contract and will increase by 2% per year thereafter. The contractor understands and agrees that the guaranteed minimum annual amount shall be exclusive of any late payment fees and any other payment to the University required by the contract.

QUESTION: Can the annual 2% increase be removed from the minimum guarantee?

Comment: Commission growth/decline can be attributable to many controllable factors, as well as others outside of our control, including student enrollment growth, alternative uses for the CarolinaCard off campus, future construction, etc. Without knowledge or a guarantee in these areas, it is difficult to guarantee the increase asked for.

ANSWER: This sub section of Section III of the solicitation is amended to read as follows:

3.11.1.1 Columbia Campus

The contractor understands and agrees that the annual amount paid to the University relative to sales made under the terms of the contract will not be less than the guaranteed minimum annual amount of \$415,000 per year. The contractor understands and agrees

that the guaranteed minimum annual amount shall be exclusive of any late payment fees and any other payment to the University required by the contract.

Page 19 of 52

3.11.6 CarolinaCard sales will also be tracked by the CarolinaCard Office. The University will reimburse the contractor for the amount of such sales on a monthly basis, less any refund amounts that have been issued, and a three percent (3%) transaction fee for all sales made utilizing the CarolinaCard. The CarolinaCard transaction fee may be increased during the term of the contract as mutually agreed upon by the University and the Contractor.

QUESTION: The 3% transaction fee is a large increase versus the current fee. Can the transaction fee be changed to back to two percent (2%)?

ANSWER: All other contractors who accept the CarolinCard are currently paying a 3% transaction fee. We will agree to keep this fee at 3% for the 7 year contract term. This subsection of Section III of the solicitation is revised to read as follows:

3.11.6 CarolinaCard sales will also be tracked by the CarolinaCard Office. The University will reimburse the contractor for the amount of such sales on a monthly basis, less any refund amounts that have been issued, and a three percent (3%) transaction fee for all sales made utilizing the CarolinaCard.