

F&B RFP – Addendum 2

Contract Requirement Updates/Housekeeping

New Requirement:

All bidders are required to submit with their bid a proforma outlining projected total sales for the first 5 operational years of the facility.

Page 5 Definitions Edit:

Gross Receipts: the total amount of money or other items of value received or receivable, directly or indirectly, by The Food Service Company or any agent or employee of the Food Service Company from all sales, cash or credit, regardless of whether such credit accounts or a portion of such accounts are collected, made as a result of the service rights granted under the Agreement, excluding sales taxes collected by the Food Service Company or in the event of prepayment of sales taxes, excluding any amount so prepaid by the Food Service Company. The total amount of the service charge (gratuity) that is charged to Licensees is **INCLUDED IN (not excluded from)** the definition of Gross Receipts. Funds received from the sale of any goods, food, beverage or, other items that are returned by the purchasers and accepted by the Food Service Company exclusive of any sales tax may be deducted from Gross Receipts. The net amount received from sub-contractors will be treated as Gross Receipts.

Section I D

General Information #2 - who is responsible for developing the operations plan? I assume the successful Proposer. **YES in conjunction with the Center.**

Section I

p. 9 #8 indicates a mandatory pre-proposal conference and site visit which does not apply with your RFP. **This is an error. There is no mandatory pre-bid conference.**

Section I E

#1 b) viii – **Additional Requirement – List the quality and experience of the GM candidate.**

#5 b) xi – **Additional Criteria – Please include the Quality & Service Program you'll be instating into the food service department.**

#7 d) **Edited Text:** If the selected Proposer fails to sign and return the Agreement within **(30) ~~15~~** days following the receipt thereof, NCCC Inc. **may have the right to ~~will~~** annul the award. Upon annulment of the award as aforesaid, The NCCC Inc. may negotiate with any proposers or with any company the NCCC solely determines to negotiate with whether the said company submitted or did not submit a proposal in response to

this RFP. 15 days is a very tight timeline for the agreement to be signed since it usually takes a few passes before you get it right. You might want to soften the language as it clearly states that NCCC will annul the award.

Section I F p.14

#3 g) iv) **Edited Text:** Proposed sample menus for both concessions and catered food and beverage at NCCC. Include pricing, portion size where applicable and a listing of the minimum purchasing standards your company adheres to for all major food provisions. Prices for catered functions are to be inclusive of all costs, but exclusive of service charge and sales tax. The service charge assessed on all catered events for the initial term of this agreement. ~~This fee is normally retained by the Food and Beverage Company and not paid directly to the service employees in the form of a gratuity.~~ Prices for Concessions and Bar items are to be inclusive of all costs and sales tax.

#3 i) Please include in your submission an outline of your quality & service standards/programs

Section II B

#4 a) **Edited Text:** Please better define “less company discounts directly attributable to the NCCC” (e.g. for marketing events).

#9 a & b) Marketing Reserve: ~~2.0%~~ 1% of Gross receipts.

Section II C

p. 28 #15 **Edited Text:** The Food Service Company is required to have its next senior level of management to the Food and Beverage Manager visit NCCC **three times in the first six months of operations and quarterly thereafter, unless a business need arises.** ~~a minimum of once every other month (six times a year).~~

Section II F

#1 n) **Edited Text:** The Food Service Company shall be responsible for scheduling semiannual inspections by NCCC ~~Inc.~~ appropriate public health officials in January and July of each year. Copies of the inspections shall be forwarded to NCCC Inc’s President for review with the Food and Beverage ~~President~~ **Manager.**

Section II H

#3 **NCCC will also provide the replacement computers and all software/computer systems which are an allowable expense.**

Page 45

This was originally omitted from the RFP in error as a Section 14. Bonds

The Food Service Company shall furnish to the NCCC at the time of execution of the Agreement a performance bond or such other form a security as may be agreed to, in the

amount of Two Hundred Thousand (\$200,000) dollars; and a payment bond or such other form of security as may be agreed to, in the amount of Two Hundred Thousand (\$200,000) dollars for the term of the Agreement, guaranteeing the faithful performance of all conditions contained in the Agreement and for prompt payment of all contractual indebtedness. The bonds shall be with a surety company, authorized to write bonds in the City of Niagara Falls, Ontario, and acceptable to the NCCC, subject to approval as to form and content, by the OPCC. The performance bond and payment bond are considered Non-Allowable Expenses.

Notice: the NCCC will not be serving bottled water and soda (unless a 'green bottle solution').

Submitted Questions:

Page 12- Part I, Section E, Article 5, b: Evaluation Criteria.

* Is there a point value assigned for each of the criteria, i -x? This would be helpful to better understand the Centre's priorities of evaluation.

There is not a point system assigned to each criterion.

Page 16- Part I, Section F, Article 3, f: Proposer's Operations Staff.

* Regarding wages and salaries, is there a range of wages currently paid in the area available to use as a guideline? No

Page 21- Part II, Section B, Article 1b: Financial Provisions.

* Please clarify if the "one-time investment of \$1,000,000.00 is protected by a Industry standard buyback provision, similar to the "licensing fee" described in Article 2? Yes.

* Please clarify how the one time investment is to be depreciated through management fees. If referring to the 1 Million, over the life of 10-years.

Page 21- Part II, Section B, Article 2: Financial Provisions.

* Is the "Licensing Fee" optional? YES and should bidder include this fee it is in effect, a 'signing bonus' and not an allowable expense and not allowed to be depreciated.

* Article 2 refers to equipment purchased through the "Licensing Fee", what is the purpose then, of the "one-time investment" referred to in 1a? If the Licensing fee is optional, it would seem the larger sum would be required to offset the cost of equipment and smallwares. We

respectfully request a clarification in order to determine how to calculate the proposed financial offer. If a licensing fee is included it is intended to stand on its own as a one-time fee. It is not related to or contingent on the million dollar option should this be chosen by NCCC. However, the bidder has the ability to offer the licensing fee separately as described or only in conjunction with one of the other options as you choose to stipulate. Bidder's choice.

* Specifically, if the \$1M investment is recovered through the Management Fee, or is the depreciation of the \$1M investment an allowable expense as a proforma line item? The depreciation of the 1M is an allowable expense to be paid on a straight line depreciation spread over 10 years.

* Is Niagara Convention and Civic Centre Inc., purchasing all the equipment and smallwares, tools of the trade, etc., required for the operation of the food service facilities? YES. However tools of the trade, cooking smallwares etc... often associated with the chef's/service provider's preferences will be purchased with input from the winning food service provider.

Page 23- Part II, Section B, Article 6h: Financial Provisions.

* Article 6h on page 23, and Article 8 (on page 48, Section J, Default & Termination) both refer to Performance and Fidelity bonds. However, there is no reference to a required Performance or Fidelity Bond in the RFP requirements, please clarify whether these sections should be removed, or if there is a Performance Bond required. This was originally omitted from the RFP in error as a Section 14. Please include:

The Food Service Company shall furnish to the NCCC at the time of execution of the Agreement a performance bond or such other form a security as may be agreed to, in the amount of Two Hundred Thousand (\$200,000) dollars; and a payment bond or such other form of security as may be agreed to, in the amount of Two Hundred Thousand (\$200,000) dollars for the term of the Agreement, guaranteeing the faithful performance of all conditions contained in the Agreement and for prompt payment of all contractual indebtedness. The bonds shall be with a surety company, authorized to write bonds in the City of Niagara Falls, Ontario, and acceptable to the NCCC, subject to approval as to form and content, by the OPCC. The performance bond and payment bond are considered Non-Allowable Expenses.

Page 33- Part II, Section F, Article 1d: Responsibilities of the Food Service Company.

* Article 1d references "...necessary equipment to properly move product..." and that the food service company will not be allowed the use of NCCC's equipment, does the food service equipment plan and specifications include the required exclusive food service pallet jacks and forklift in the equipment schedule?

NCCC would like to consult with chosen Food Service Company to decide necessary equipment after awarding chosen contractor. Expense will either be an 'allowable expense' or folded into facility's purchases.

Page 9- Part I, Section D, Article 10,2: General.

* We respectfully request an extension of two weeks to the Due Date for the Proposal responses. We are basing this request on the timing and availability of the answers to critical questions that clarify or define how the responses should be prepared; the fundamental foundation and assumptions for any responsible financial proposal as requested by NCCC. By the time, this information is released and returned to prospective vendors, there is insufficient time, to analyze the information, determine the impact, and prepare the proper response. The information requested in the written questions are not insignificant, but critical information required to compose a properly prepared response that will determine the competitive response on an equal playing field among competitors. We respectfully ask for your consideration.

Date is extended by 3 weeks. New deadline is Feb 15, 2010.

Please outline the deal with Anna Olson. Specifically does she receive commission on sales of her menus?

Anna Olson is on a contract with the NCCC. She is paid for 'use of her likeness,' the ability to use the FOOD Network Canada phrase in conjunction with her work and by personal appearance. Her contract obliges her to create four seasonal menus and a signature wedding package. Clients can then choose any or all of the menus. She is obliged to help teach the chef to cook her menus and can be hired for further kitchen help as needed. She is not paid any commissions on sales of her product. She is also obliged to help market and promote the facility with regards to the food program and local growers awareness. She, with a fee is available for clients to hire for keynotes, team building and chef tables.

Would the Niagara Convention and Civic Centre please provide a list of booked events or events on hold for the opening year of 2011 (or beyond, if applicable)?

Overall the Centre has over 575 days on hold and 11 contracts confirmed. The 11 contracts break down to 5 conventions, 1 tradeshow, 1 consumer show, 2 dance competitions and theatre run (which comprise of 75 days of theatre performances).

Days on hold for 2011:122 days

Days on hold for 2012: 166 days

Days on hold for 2013-2021: 202 days

General Information, Section 10 on Page 8 indicates that NCCC will provide their NCCC Policy and Procedures Manual to applicants. May we receive this document as soon as possible? **Yes Manual attached.**

Section F of the RFP deals with format of the application with sub-section "3" dealing with required format of the response. This section provides a listing of sections 1 through 12 but there is no section 10 described. Is this a real section that is missing or was it an error in numbering? **This is a typo. There is no section 10.**

Are there any business projections available that are more up to date than the PKF study that we have? Also, is a list of business on-the-books available? **See previous answer.**

What office space has been or can be allocated for food services administration? **Offices for food service are defined on the blueprints.**