



CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES
PURCHASING DIVISION
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**ADDENDUM NO (3) THREE
RFP 17-PR-005
Beverage Vending Machine Contract**

December 14, 2016

Addendum Number (3) Three forms part of the contract documents and modifies them in the manner and extent set forth below.

ATTENTION CONTRACTORS

- **Remove and Replace**

Remove and Replace

Please remove Exhibit A – Scope of Work, pages 12 through 16, and replace with the revised Scope of Work.

All other provisions of the Contract Documents shall remain unchanged. Each Offeror should ensure that they have received all addenda and amendments to this RFP before submitting their proposal.

Exhibit A
Scope of Work / Specifications for Beverage Vending Machine Contract
RFP # 17-PR-005

1.1. GENERAL INFORMATION**1.2 Products**

1.2.1 The products shall be the line of all non-alcoholic Beverage Products sold by the Contractor. The City desires the options of a wide variety of beverage products to be provided by the Contractor for sale, including water, juices, tea, soda, isotonic, etc (excluding milk, hot coffee, hot tea, hot chocolate, and 4 or 6 ounce breakfast juice). The City shall be allowed to sell those products that are not currently sold by Contractor after Contractor is given ninety (90) days notice by City of its desire to sell said products.

1.2.2 The final product line to be sold will be at the mutual decision of the City and the Contractor.

1.2.3 The City shall not be required to provide personnel for selling beverages. However, if the City desires to sell over-the-counter beverages at events with its personnel, the Contractor shall be required to provide Beverage Products at a cost not greater than the costs contractually stipulated for sale at related events.

1.2.4 The City anticipates a certain volume of free bottled water products during each year of this agreement.

1.3 Exclusivity

1.3.1 The City will provide the selected Contractor the exclusive right to supply all non-alcoholic beverages excluding milk, hot coffee, hot tea, hot chocolate, and 4 or 6 ounce breakfast juice (the "Beverage Products"), including concession stands, but subject to any applicable laws, regulations or policies with respect to the City. Except as noted above, during the term of the contract, the Contractor shall fully supply all products in a timely manner to keep all machines, concessions, and food service operations fully supplied with respect to all cans, bottles, syrups, carbonation, and all other necessary supplies to allow the City and the Contractor to maximize sales.

1.3.2 The successful Contractor may receive exclusive beverage product advertising opportunities in all City owned facilities the operations of the City owner Santa Ana Star Center shall be exempt from the terms of this contract.

1.3.3 The City shall use its best efforts to ensure that the benefits described above are exclusive to the Contractor. However, the exclusive rights shall apply only with respect to City owned and controlled facilities with respect to which the City retains control of space utilization decisions. The exclusive rights shall be subject to any existing conflicting contract rights.

1.3.4 **Horace de Vargas Act.** The Horace De Vargas Act is an Act "providing for the establishment, maintenance and operations of a vending stand program for the Blind granting preference to the Blind and providing for co-operation with the United States Government."

Notwithstanding anything to the contrary contained herein, the City shall adhere to all requirements provided by the Horace de Vargas Act.

1.3.4.a. The awarded contractor will be required provide a commission from the sales of all products to the New Mexico Commission for the Blind to establish negotiated rate compensation requirements in accordance with the Horace De Vargas Act.

1.5 Equipment

1.5.1 The Contractor will be required to furnish, as soon as possible based on its submitted plan, but not less than within three months from the date of Contract award, vendor-owned and manufactured vending beverage machines and all other equipment at all agreed upon locations. Currently, there are ten (10) locations and eleven (11) machines on City premises.

The vending machines shall be modern and of the latest machine technology, have bill change capabilities, be electrically efficient, have unit sales counting capabilities and be aesthetically acceptable to the City.

City Facility	Machine(s) needed
Sabana Grande Recreation Center	1
Motor Vehicle Division	1
Meadowlark Senior Center	1
Loma Colorado Library	1
Dept. of Public Safety/Municipal Court	3
Animal Control	1
City Hall	1
Aquatic Center	1
Haynes Community Center	1
Total Machines	11

1.5.2 In an effort to conserve energy, machines that feature illumination, shall have such illumination turned off at times when not available for use. In addition, Contractor shall endeavor to ensure all machines are using the minimal amount of power as required for successful operation thereof.

1.5.3 Vending machines shall be quiet and not disruptive to the on-going activities on City property.

1.5.4 The installation and expense of installation of vending machines shall be the Contractor's responsibility. The City shall cooperate with, and support, reasonable requests from the Contractor in this regard.

1.5.5 The City may reject machine signage or logo if deemed objectionable or a distraction to the activities in any City facility or on City property.

1.6 Vending Equipment Maintenance

The Contractor shall be responsible for the maintenance and repair of vending equipment and any other equipment it provides for use on City property which is owned by the Contractor during the term of this contract. The City will exercise prudent care in the handling and

operation of any such equipment. The Contractor must ensure that each machine is not out of service for more than 24 hours from the time of notification by any City employee of a malfunction. The Contractor shall replace machines which are chronically out of service or malfunctioning within 14 calendar days.

1.7 Electricity

The City shall furnish, at no cost to the Contractor, the necessary electricity for the operation of the machines. A projection of the maximum annual electrical cost and maximum aggregate annual electrical consumption per machine shall be included in the proposal. Please describe how your proposed operation can aid in cost/energy savings (i.e. timers, etc.).

1.8 Storage Space

The City shall not be required to furnish any storage space for beverage products owned by the Contractor. The City may provide temporary storage of concession equipment after athletic or other events without charge.

1.9 Annual Rights Fee and Commission Payment/Procedure

1.9.1. This fee and payment procedure shall be arranged with the NM Commission for the Blind to be in compliance with the Horance De Vargas Act.

1.9.2 The Contractor acknowledges that the Contractor is responsible for and is taking all risk with respect to any reduction of gross sales due to theft, fire, accident, vandalism, temporary loss of power, weather, acts of God, changes to the City's calendars, temporary or permanent building closures, changes to building facility construction plans, changes to the athletic or extracurricular program or schedule, machine failure (refunds), other acts beyond the City's control, and actions within the City's control that are necessary for sound business reasons (e.g. relocation of vending machines) and that are considered typical for City operations. Unless otherwise expressly agreed by all parties, no reduction in gross sales attributable to such factors shall constitute a basis for reducing or renegotiating any annual commission guarantees, or any other payments to the City.

1.9.3 All machines shall have automatic sales counters which can be used for sales verification by the City.

1.9.4 For any portion of the term of the Contract which constitutes less than the City's entire fiscal year, the minimum guarantees under the Contract shall be reduced by a prorated amount based on the ratio of the number of business days during such year which are included in the term of the Contract and the total number of business days during such fiscal year.

1.10 Accounting Requirements

1.10.1 All financial records of the Contractor pertaining to this contract shall be made available for audit during normal working hours by the City or its designated auditor.

1.10.2 The Contractor shall provide prompt refunds for machine malfunctions by which money is accepted, but no product is dispensed. City and Contractor shall develop mutually agreed upon procedures for such process.

1.11 Licenses and Taxes

1.11.1 All state, county, and city license fees shall be paid by the Contractor. The City shall be promptly reimbursed for any penalties or necessary and reasonable expenses due to the Contractor's failure to obtain necessary licenses.

1.11.2 The Contractor shall promptly pay all sales and excise taxes resulting from sales through the Contractor's vending machines. The City shall be promptly reimbursed by the Contractor for any penalties or costs resulting from the Contractor's failure to promptly pay such taxes.

1.11.3 The Contractor shall comply with all federal, state, and City regulations governing the preparation, handling and serving of beverages, and shall procure and keep in effect all necessary licenses and permits required by law and agrees to post such permits in a prominent place as may be required by law.

1.12 Service Personnel and Service Vehicles

The Contractor's personnel shall, at all times, be dressed in service uniforms and shall observe the City's regulations in effect. The Contractor shall be responsible for furnishing its service personnel the proper company uniforms and picture ID. Contractor's delivery vehicles must adhere to the City's advertising policies and must not include advertisement of alcoholic beverages.

1.13 Location of Vending Machines within City Facilities

The City shall not be required to relocate any electrical outlets in order to provide electrical power to vending machines at desired locations. No extension cords will be allowed. The Contractor may make recommendations for the purpose of determining electrical outlet and vending machine locations within new or significantly reconfigured or facilities. However, final decisions regarding the location of electrical outlets and vending machines shall be solely determined by the City. Once approved all expenses associated with any new electrical needs are to be paid by Contractor.

1.14 Sales Enhancement

The Contractor shall meet quarterly, or at such other times as may be agreed upon by the parties, with key City personnel to plan and coordinate the services provided under the Contract with the intent to enhance sales in the City in a manner which is fiscally sound.

1.15 Exclusive Beverage Advertising Benefits

The Exclusive Beverage Advertising Benefits shall include principally the following benefits at each entity:

1.15.1 The City shall make a good faith effort to commence the benefits listed in paragraph A above within four months after the commencement of the contract. Contractor acknowledges that certain advertising benefits described above cannot be made available until the second year of the Contract because the events will have been held or the publications published prior to the commencement of the contract. If in the reasonable judgment of the City, any of the advertising benefits described above become impractical to deliver, the City may substitute another benefit which has approximately the same benefit to the Contractor. All advertising is

subject to the City's policy on advertising, including approval rights in order to ensure suitability. The Contractor shall be responsible for, and shall pay all costs of, designing, laying out and producing such advertising.

1.15.2 Subject to the advance approval of the City, Contractor shall have the right to distribute promotional items for Beverage Products at no cost to the City, including but not limited to pencils, calendars, book covers, mouse pads, classroom supplies, classroom materials, rulers and planners.

1.15.3 The City shall use its best efforts to ensure that the benefits described above are exclusive to the Contractor. For this purpose, the exclusive rights of Contractor shall preclude advertising of Beverage Products directly competing with Contractor's principal Beverage Products. The exclusive rights shall apply only with respect to City owned and controlled facilities with respect to which the City retains control of advertising decisions. The exclusive rights shall be subject to any existing conflicting contract rights.