

**NORTHERN KENTUCKY UNIVERSITY
VENDING SERVICES
REQUEST FOR PROPOSAL, NS-07-12
NOTICE OF ADVERTISEMENT**

BRIEF SCOPE OF WORK:

This Request for Proposal is to establish a Price Contract for Vending Service for Northern Kentucky University's main campus in Highland Heights, and the (Grant County Campus in Williamstown, KY). Soft drink and juice vending is by separate contract (Pepsi currently holds a long term contract for these services.)

PROJECT TIMETABLE:

Request for Proposal Issued September 12, 2011

There will be no bidders conference held for this contract. The university suggests that all potential business partners schedule a walking tour visit of campus to review vending operations.

Last Date for Questions September 19, 2011

All requests for additional information should be made in writing to Jeff Strunk.

DUE DATE **September 30, 2011 at 2:00 PM local time**

SUBMITTAL OF PROPOSAL: Submit the completed PROPOSAL package, by the time and date specified to:

Northern Kentucky University
Jeff Strunk, Director
Procurement Services
617 Lucas Administrative Center
1 Nunn Drive
Highland Heights, KY 41099

If a carrier other than the United States Postal Service is used the more appropriate ZIP code would be: 41076.

Information relative to this project obtained from other sources, including other university administration, faculty or staff may not be accurate, will not be considered binding and could adversely affect the potential for selection of the design firm/team. All requests for additional information and all questions should be directed to Jeff Strunk, Procurement Services: strunk@nku.edu.

**NORTHERN KENTUCKY UNIVERSITY
AUTHENTICATION OF PROPOSAL, STATEMENT OF NON-COLLUSION,
NON-CONFLICT OF INTEREST AND BIDDER CERTIFICATIONS**

By signing below the Contractor swears or affirms, under the penalty of false swearing as provided by KRS 523.040, that he/she is in compliance with all of the following:

1. That I am the bidder (if the bidder is an individual), a partner in the bidder (if the bidder is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the bidder is a corporation).
2. That the submitted proposal or proposals covering the Proposal Package indicated have been arrived at by the bidder independently and have been submitted without collusion with, and without any agreement, understanding or planned common course of action with any other contractor, vendor of materials, supplies, equipment or services described in the Invitation for Proposal, designed to limit independent bidding or competition; as prohibited by provision KRS 45A.325;
 - 2A. Any agreement or collusion among bidders or prospective bidders which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to proposal at a fixed price, or to refrain from bidding, or otherwise, is prohibited. The provisions of KRS 365.080 and 365.090, which permit the regulation of resale price by contract, do not apply to sales to the State.
 - 2B. Any person who violates any provisions of Kentucky Revised Statute 45A.325 shall be guilty of a felony and shall be punished by a fine not less than five thousand dollars nor more than ten thousand dollars, or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association which violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars nor more than twenty thousand dollars.
3. That the content of the proposal or proposals have not been communicated by the bidder or its employees or agents to any person not an employee or agent of the bidder or its surety on any bond furnished with the proposal or proposals and will not be communicated to any such person prior to the official opening of the proposal or proposals;
4. That the bidder is legally entitled to enter into the contracts with the Commonwealth of Kentucky and is not in violation of any prohibited conflict of interest, including those prohibited by the provisions of KRS 45A.330 to .340 and 164.390; and
5. That I have fully informed myself regarding the accuracy of the statements made, including Proposal Amount.
6. Unless otherwise exempted by KRS 45.590, the Bidder intends to comply in full with all requirements of the Kentucky Civil Rights Act and to submit data required by the Kentucky Equal Employment Act upon being designated the successful bidder.
7. That the Bidder, if awarded a contract, would not be in violation of Executive Branch Code of Ethics established by KRS 11A.990.
8. **Campaign Finance Laws** Pursuant to KRS 45A.110 and KRS 45A.115 the undersigned hereby swears or affirms, under penalty prescribed by law for perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation, partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky, and that the award of a contract to him/her, individually, or the corporation, partnership or other business entity which he/she represents, will not violate any campaign finance laws of the Commonwealth.
9. **Worker's Compensation and Unemployment Insurance** Pursuant to KRS 45A.480, the undersigned hereby swears or affirms, under penalty of perjury, that all contractors and subcontractors employed, or that will be employed under the provisions of this contract shall be in compliance with the requirements for worker's compensation insurance under KRS Chapter 342 and unemployment insurance under established KRS Chapter 341.

10. **Vendor Report of Prior Violations** The Bidder/Owner shall reveal to the University, prior to this award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341, and 342. The Contractor is further notified this statute requires that for the duration of this contract, the Contractor shall be in continuous compliance and the Contractor's failure to reveal a final determination of a violation or failure to comply with the cited statutes for the duration of the contract, shall be grounds for the Contractor's disqualification by the University from eligibility to proposal or submit proposals to the University for a period of two (2) years. Please list any final determination(s) of violation(s) including the date of determination and the state agency issuing the determination. If no violations have occurred, type **none** in the space below.

* KRS Chapter 136 - Corporation and Utility Taxes; * KRS Chapter 139 - Sales & Use Tax; * KRS Chapter 141 - Income Taxes; * KRS Chapter 337 - Wages & Hours; * KRS Chapter 338 - Occupational Safety & Health of Employees; * KRS Chapter 341 - Unemployment Compensation; * KRS Chapter 342 - Worker's Compensation

<u>KRS VIOLATION</u>	<u>DATE</u>	<u>STATE AGENCY</u>
_____	_____	_____
_____	_____	_____

READ CAREFULLY - SIGN IN SPACE BELOW - FAILURE TO SIGN INVALIDATES NS-07-12 OFFER

AUTHORIZED SIGNATURE: _____ DATE: _____

NAME (Please Print Legibly): _____

FIRM: _____ FED ID. OR SSN#: _____

STATE OF INCORPORATION: _____

PERMANENT ADDRESS: _____
STREET CITY STATE ZIP

CONTACT PERSON: _____ TITLE: _____

TELEPHONE NO: _____ FAX NO: _____ E-MAIL: _____

State of _____)
County of _____)SS

The foregoing statement was sworn to me this _____ day of _____,
20____, by _____.

(Notary Public)

My Commission expires: _____

THIS FORM MUST BE NOTORIZED

**VENDING SERVICE
FOR
NORTHERN KENTUCKY UNIVERSITY
REQUEST FOR PROPOSAL # NS-07-12**

CONDITIONS AND SPECIFICATIONS

METHOD OF BIDDING

This contract will be established on a basis of commission payable and other factors listed below. Bidders shall quote a percentage commission payable on all sales with a minimum guarantee of (\$50,000) per year.

METHOD OF AWARD

The contract awarded from this Request for Proposal will be based on the highest commission rate quoted and other factors. Vendor must demonstrate evidence of successful operation of an account of comparable size (and the resources for both regional and corporate support of the services proposed for Northern Kentucky University.)

AWARD CRITERIA

The following criteria are listed in the order of relative importance:

- Commission Percentage
- Product Mix
- Service/Restocking Schedule
- Equipment
- References

CONTRACT TERM

The contract resulting from this sealed proposal will be for five (5) years from the date of award. This contract may be renewed for five (5) additional one (1) year periods, all parties concurring. The effective date of this contract shall be January 1, 2012. Equipment may be changed out beginning December 12, 2011 and must be fully operational no later than January 9, 2012.

PERFORMANCE BOND

The successful bidder may be required to execute, within fifteen days after receiving the Notice of Award, a performance bond in the amount of \$100,000.

COMMISSION

Commission will be calculated on gross sales less sales tax.

COMMISSION PAYMENTS

Commission payment shall be made on an annual basis with the guaranteed amount being due on July 1st of each fiscal year. An annual reconciliation will be done on June 30th of each fiscal year to determine if overall revenues will result in additional commissions payable.

ACCOUNTING

Receipts will be taken by the successful bidder to his place of business and records maintained for each machine corresponding with the product inventories and meter readings. Ten (10) days after the close of each month, a check for commissions earned on each product sold will be submitted to the University.

A breakdown will be furnished to the University showing assigned machine number and building location for;

1. the gross receipts on each machine;
2. the sales volume thereon;
3. the total sales volume for the building, and;
4. the grand total for the campus operation.
5. total gross sales for all campus operations
6. total sales taxes recorded and paid

ACCOUNTING RECORDS

The vendor is required to maintain accounting records and other documents pertaining to the contract operation and will make the records available to the University at all reasonable times during the contract period and for three (3) full years from the date of the final payment. The University anticipates making an audit of these records and reserves the right to do so at any time.

All records of product sales, machine maintenance, and sanitation are to be made available for inspection upon request by the University. The University will have the right to verify, on an unannounced basis, removals of receipts and/or products from each machine.

INSURANCE

Prior to date of award of the successful vendor must forward to the Northern Kentucky University Purchasing Department certificates of insurance which show the vendor has and will maintain during the term of the contract all required insurance protection (including product liability insurance).

Minimum limits of insurance will be as follows:

1.	Workman's Compensation	Kentucky Statutes
2.	Public Liability	\$ 500,000 one person \$ 1,000,000 each accident
3.	Property Damage	\$ 500,000 per accident \$1,000,000 aggregate

The vendor shall secure, protect, defend, hold harmless, and indemnify the University and members of its Board of Regents, individually and collectively, its President, all other officers, and employees from any and all claims, liabilities, and expenses (including attorney's fees) which may arise as a result of or in connection with any or all risks pertaining to this contract while this contract or any extension thereof is in place.

EQUIPMENT SPECIFICATION

1. Equipment furnished must be State of the Art newer production models. If reconditioned equipment is furnished, the equipment must be in first class working condition, free of major scratches and dents, broken glass, etc. **The University reserves the right to have the vendor replace any machine not meeting this specification or is deemed not be in the best interest of the University.**
2. The color of the equipment, whether new or reconditioned, must be uniform and blend with the decor of the building. The equipment must operate on 110-115 volts and be U/L listed. Machines must be equipped with a tamper-proof meter recording the accumulative total of sales. The required capacity of each machine shall depend on the needs and requirements

of each location, provided that the vendor shall furnish a machine of ample capacity to satisfy the customer demands in each location.

3. Dollar bill validators are required on all machines.
4. 100% of all machines placed in service as a result of this contract must accept the NKU ID card (declining balance) stripe functionality currently in use on campus. The NKU ID is a "standard" 30 mil PVC card, size cr80, with one high coercivity magnetic stripes on the back (ABA and vend). The card readers installed must read and write to the vend/debit stripe on the card, using track two, of the allcard format as implemented by CBORD. The vendor is responsible for all expenses associated with acquiring and installing these readers. Should the university convert from this magnetic stripe technology to another debit card technology (i.e. chip, smart card) in the future, conversion of the card readers on the vendor's machines will be at the expense of the vendor. Selected vendor is responsible for payment of the annual maintenance fees, to the CBORD Company, for installed card readers in their vending machines.

EQUIPMENT CHANGES

Equipment changes may be made only with the approval of the University's Director of Business Operations and Auxiliary Services. Vending equipment may not be removed from the University during school closings. The vendor will make additions, deletions or changes needed in existing locations to insure proper coverage of all items the business volume makes economically advisable under the same terms agreed to herein.

The vendor will install machines as requested by the University; however, if a mutually acceptable level of sales is not reached, the machine may be removed by notifying the Director of Business Operations and Auxiliary Services. The vendor will also make such equipment removals as requested by the University.

REPAIR SERVICE

The successful bidder must provide 24 hour service on a 7-day week basis for all vending equipment installed at the Highland Heights campus.

PRODUCTS TO BE SOLD

The vendor will use only nationally known and accepted products in the vending operation at the University. All products to be sold must be approved by the University before a contract is signed. The University reserves the right to specify acceptable brands to be vended. Products vended must meet all standards of the Food and Drug Administration and of the State Bureau for Health Services. All food items must be fresh when installed and date-stamped. Food items with expired dates will be removed from the machine. Over the past several years the university has implemented a university-wide wellness initiative. The effort is headed-up by the Wellness Office located on the campus of Northern Kentucky University. The vendor will recognize that they will need to coordinate efforts with this office to insure that we are offering an adequate line of products which are consistent with the universities wellness mission.

SELLING PRICES

A complete list of products to be offered and pricing must be submitted with this proposal. Prices are subject to revision annually and may be either increases or decreases. Revisions will be based on general industry changes and may be requested in writing by either of the contracting parties and received at least thirty (30) days prior to the effective date. The requesting party must furnish to the University's Director of Business Operations and Auxiliary Services documented evidence substantiating the validity of the request along with the written request for price changes. The selling prices of products sold through this contract will be consistent with a market basket of like product from the region. Documented prices will be the manufacturer's list prices excluding promotions. Price increases will not be granted without the approval of the University's Director of Business Operations and Auxiliary Services.

SERVICE

Vending machines must be serviced regularly and an ample stock of merchandise maintained in each machine at all locations. All vending and support units must be kept free of dirt and sanitized on a regular basis in accordance with Federal, State, and County laws. Sanitary leak proof disposable units will be supplied by vendor where required. Each machine shall contain a label or other means of identifying the repair service number to call and the vendor shall provide service by noon of the following day for all service calls received before 5:00 p.m. the day before. Any machine which will be down for five (5) class days will be replaced with a suitable substitute machine.

ROUTE SCHEDULE

Vendor shall provide, with the proposal, a proposed route schedule showing as a minimum, how many days per week, each machine will be serviced / restocked. Written records shall be maintained and made available to the university for the purpose of responding to complaints received concerning machine malfunction or machine out of product.

SANITATION

All machines must meet Board of Health requirements; and be maintained, sanitized and operated in compliance with all Federal, State and County ordinances, regulations and codes, as applicable.

SERVICE PERSONNEL

Service personnel will, at all times, be dressed in clean uniforms and will observe all regulations in effect at Northern Kentucky University. The University will be provided with the names, addresses and telephone numbers of all service personnel. The vendor's name, emblem or other identifying mark will be affixed on the employee's uniform.

UTILITIES

Utilities (heat, water and electricity) and outlets required will be furnished by the University. Final connections are to be made by the vendor. The vendor will be required to meet any energy conservation policies of the University. Additional plumbing and electrical outlets will not be provided beyond those that currently exist.

REFUNDS

Refunds are the responsibility of the vendor. The vendor will establish a minimum change fund (\$50.00) with the Bursar's Office for the purpose of providing refunds to a person not receiving a product or other malfunction of the vending machine. The University staff, where appropriate, will secure the signature of the person requesting a refund, time of occurrence and machine involved. This established fund must be checked by the vendor's serviceman at least once a week. Refunds may not be deducted from commissions or rent payments.

DAMAGE

Northern Kentucky University is not responsible for damage or loss to vending equipment and contents due to vandalism, robbery, or any other action or cause. The university will cooperate to such extent it deems feasible in guarding against such occurrences.

PARKING

The vendor's vehicles will be clearly identifiable with the company name and will be kept in a reasonably clean and presentable condition. Only service vehicles used in servicing the Highland Heights campus are to be allowed to park on campus. These vehicles should be registered with the office of Parking Services located in the Welcome Center. Vehicles servicing buildings on campus will be required to

observe all traffic and parking regulations on campus. These vehicles will use the loading and unloading zones and will not block campus drives or fire lanes at any time. All employees of the vendor who desire to park on campus must register their automobiles with the office of Parking Services and the Parking Office will issue Vendor hand-tags and explain where on-campus these individuals may park.

TAXES AND LICENSE FEES

It will be the responsibility of the vendor to comply with any and all Federal, State, Local, and County requirements concerning permits, licenses, taxes, sanitation, etc.

Note: Northern Kentucky University was annexed by the City of Highland Heights in 2008. All contractors performing work for NKU must possess a Campbell County Occupational License and a City of Highland Heights Occupational License (administered by Campbell County) and must also pay applicable payroll taxes. For further information call 859.292.3884 or log onto: www.campbellcountky.org/occlhc.htm

CONTRACT MODIFICATION

Approved products and product sizes, selling prices, selling locations, equipment changes, schedules or methods of operation may not be changed without written authorization from the Office of Business Operations and Auxiliary Services. Any contract modification must be within the framework of the awarded contract.

CONTRACT ASSIGNMENT

The vendor is prohibited from assigning, transferring or subletting the contract or its rights, title, or interest or its power to execute the contract to any other person, company or corporation without written approval of the Office of Business Operations and Auxiliary Services and the Office of Procurement.

In the event of a change in company ownership, Northern Kentucky University reserves the right to re-advertise the contract.

CANCELLATION CLAUSE

The established contract may be canceled by the University for non-performance or other failure on the part of the vendor to comply with the terms and conditions of the contract. The University agrees to give the vendor written notice of such failure. In the event the vendor fails to correct the situation to the satisfaction of the University within thirty (30) days from the date of notice, this contract will become null and void. At such time the vendor agrees to cease operation of said machines, and further, agrees to remove them from the University's premises at his own expense. When the above situation does not apply, cancellation of this contract can be requested by either party to be effective on the anniversary date of this contract. Any notice of noncompliance will be sent by registered mail to the vendor's address as shown on the records of the University.

Upon termination, vendor shall remove all equipment and vacate premises for vending within five (5) working days after termination of the contract. If the vendor fails to do so, the University reserves the right to remove and store vendor's property at the expense of the vendor.

CAUSES FOR CONTRACT CANCELLATION include, but are not necessarily limited to:

1. Repeated failure to keep product in machine(s).
2. Repeated failure of machine(s) to operate.
3. Delinquency in paying rent and/or commissions.
4. Repeated failure to respond to service calls.

OTHER VENDING

Recognized student organizations may sell, for fund raising purposes, various products from time to time. Sale of products sold by the vendor must be sold through the vending machines in accordance with the

specification. The right to authorize other type vending services with other vendors is reserved.

BIDDING REQUIREMENTS

1. Prior to submitting a proposal, vendors are encouraged to visit the Highland Heights campus to familiarize themselves with the vending locations and any special requirements. To arrange a visit, contact Mr. Andy Meeks, Director of Business Operations and Auxiliary Services (859) 572-5575.
2. A list of products to be vended must be included with the proposal. The list is to include product name, brand, portion size, and suggested price.
3. Type and number of pieces of equipment to be installed at each location. Please confirm your understanding that all machines will be equipped with the All-Card reader that will allow use of the on-campus Declining Balance program.
4. Provide route schedule listing proposed machine service / restocking frequency.
5. Bidders are encouraged to offer a product mix beyond current offerings, to increase sales. Space and utility limitations, potential infringement on other university contracts (food service and soft drink vending) and consideration of the university environment shall be taken into consideration. Note: The university is open to hundreds of events per year involving outside groups including elementary and secondary age students as well as adults.
6. Provide at least three references. As a minimum, company, company contract administrator, phone, account size.
7. Provide at least (3) three accounts which your organization has lost the contract over the past (24) twenty-four months. Provide the company name, company contract administrator, phone number, and account size.
8. **Forms Required.** An Authentication of Proposal, Statement of Non-collusion and Non-conflict of Interest documents are bound with and included as part of the Form of Proposal. The Bidder is required to sign that document and submit it as part of the Proposal. Failure to comply with these requirements shall invalidate the Proposal.
9. **Foreign Corporations.**
 - a. Foreign Corporations are defined as corporations that are organized under the laws other than the laws of the Commonwealth of Kentucky. Foreign Corporations doing business within the Commonwealth of Kentucky are required to be registered with the Secretary of State, New Capitol Building, Frankfort, Kentucky and must be in good standing.
 - b. The Foreign Corporate Bidder, if not registered with the Secretary of State at the time of the Proposal submittal, shall be required to become registered and be declared in good standing prior to the issuance or receipt of a contract.
 - c. Domestic Corporations. Domestic corporations are required to be in good standing with the requirements and provisions of the Office of the Secretary of State.

Appendix A:

Historical Information:

ANNUAL SALES FOR THE PAST FIVE YEARS:

2006: \$212,628

2007: \$195,676

2008: \$190,632

2009: \$188,656

2010: \$152,984

MONTHLY SALES BY CATEGORY FROM JULY 1, 2010 TO JUNE 30, 2011: **CONFECTIONS:**

CHIPS:	\$5,344
CANDY:	\$5,680
PASTRY:	\$1,276
GUM & MINTS:	\$328

HOT BEVERAGE:

COFFEE: \$452

EQUIPMENT ON CAMPUS:

SNACK MACHINES: 33
HOT BEVERAGE MACHINES: 5
COLD FOOD MACHINES: 0