



City of San Antonio

ADDENDUM VI

SUBJECT: Request for Qualifications (RFQ) for Catering and Concessions for the Convention Center (**RFQ 014-007, RFX # 6100003884**), Scheduled to Open: August 29, 2014; Date of Issue: May 21, 2014

FROM: Denise D. Gallegos, C.P.M., CPPB
Procurement Administrator

DATE: August 14, 2014

THIS NOTICE SHALL SERVE AS ADDENDUM NO. VI TO THE ABOVE REFERENCED REQUEST FOR QUALIFICATIONS

A. THE ABOVE MENTIONED REQUEST FOR QUALIFICATIONS IS HEREBY AMENDED AS FOLLOWS:

- 1. Amendment:** The deadline for submission of proposals in RFQ Section 010 Submission of Proposal and any other references thereto in the RFQ are hereby amended to **11:00 a.m.**, Central Time, on **September 29, 2014**.
- 2. Amendment:** The deadline for submission of written questions concerning this RFQ in RFQ Section 011 Restrictions on Communication and any other references thereto in the RFQ are hereby amended to **10:00 a.m.**, Central Time, on **September 12, 2014**.
- 3. Clarification:** In regards to the amended definition of "Gross Receipts" in RFQ Addendum 5, the exclusion from gross receipts of "TABC mixed beverage gross receipts and sales taxes" refers to the two separate components of the mixed beverage tax, as well as sales tax, not the mixed beverage gross receipts themselves. All alcohol sales are included in gross receipts. Only the TABC taxes are excluded.
- 4. Clarification:** The sales amounts in RFQ Exhibit 6 Projected Sales and RFQ Exhibit 7 Projected Operating Proforma should be net of all sales tax and TABC tax, as applicable.
- 5. Clarification:** The "Taxes and Licenses" line item in RFQ Exhibit 7 Projected Operating Proforma would include any taxes other than sales tax and TABC tax, such as business property tax.
- 6. Clarification:** The amounts for "Sub Contractor Payout" and "Service Charge Payout" in RFQ Exhibit 7 Projected Operating Proforma should be entered as negative amounts, as these represent expenses.

B. QUESTIONS SUBMITTED IN ACCORDANCE WITH RFQ SECTION 011 RESTRICTIONS ON COMMUNICATION:

Question 1: Regarding the response to Addendum 5, Question #17, are there any restrictions on the proposed cover used to protect the binders, and can the binders be put in protective sleeves?

Response: No, there are no restrictions, and, yes, you can use protective sleeves, as long as the format complies with RFQ Section 010 Submission of Proposal and any additional information regarding this topic issued in any addendum.

Question 2: What does the term “Subcontractor Income” mean under “Other Income” in RFQ Exhibit 6?

Response: Subcontractor Income is Gross Receipts from any City-approved subcontracted Food Service in the Facility by the prime contractor or joint venture partnership, less the Sub Contractor Payout, which is the amount paid to the Subcontractor.

Question 3: What does the term “Sub Contracted Food” mean under “Other Income” in RFQ Exhibit 7?

Response: See also response to Question #2 above. Sub Contracted Food is Gross Receipts from any City-approved subcontracted Food Service in the Facility by the prime contractor or joint venture partnership.

Question 4: What do the terms “Sub Contractor Payout” and “Service Charge Payout” mean in RFQ Exhibit 7?

Response: See Section A.4 of this Addendum, and responses to Questions #2 and #3 above. “Sub Contractor Payout” is the amount the prime contractor or joint venture partnership pays to subcontractors for providing subcontracted Food Service. “Service Charge Payout” is the amount of “Service Charges” paid by the prime contractor or joint venture as gratuities to Food Service staff.

Question 5: Why is “Subcontractor Income” included in “Gross Receipts” in RFQ Exhibit 6, but not in “Gross Receipts” in RFQ Exhibit 7, and why are “Service Charges” included in “Gross Receipts” in RFQ Exhibit 7, but not in “Gross Receipts” in RFQ Exhibit 6?

Response: See responses to Questions #2 – #4 above. RFQ Exhibit 6 is only projected sales, while RFQ Exhibit 7 is both projected sales and expenses. “Service Charges” are not included in RFQ Exhibit 6 because they’re not a sales item, but rather a calculated charge based on sales. In RFQ Exhibit 7, “Sub Contractor Payout” and “Service Charge Payout” are included as deductions from “Other Income” as a projected expense.

Question 6: What does “Contract Profit” in RFQ Exhibit 7 mean, and provide examples of what would apply?

Response: “Contract Profit” is a calculation of the information respondents provide in RFQ Exhibits 6 and 7. It is “Operating Profit” less any “Depreciation” and “Joint Venture Management Fee”. “Operating Profit” is “Total Sales” plus “Total Other Income” less “Total Product Cost”, “Total Payroll Cost”, and “Total Other Operating Expenses”.

Question 7: What does “Accrual Account” under “Other Operating Expenses” in RFQ Exhibit 7 mean, and provide examples of what would apply?

Response: An “Accrual Account” is an account the prime contractor or joint venture partnership would establish and maintain to set aside funds for specific operating expenses, such as the required 2% equipment maintenance and replacement fund required in Section 18.5 of RFQ Attachment 12 Revised Draft Contract.

Question 8: Since Service Charges are excluded from the definition of Gross Receipts, will it be removed from “Other Income” in RFQ Exhibit 7?

Response: Service Charges (gratuities) are excluded from the definition of Gross Receipts. RFQ Exhibit 7 is an operating proforma the City will utilize to assess the respondent’s operating income and expenses, profit and City’s financial return. “Gross Receipts”, as a term used in RFQ Exhibits 6 and 7, doesn’t necessarily correlate with the term “Gross Receipts” used for determining Net Revenue or calculating City commissions.

Question 9: If City commissions are calculated on Gross Receipts why is “Catering Non-Commissionable” included in “Sales” in RFQ Exhibits 6 and 7?

Response: See response to Question #8 above.

Question 10: If sales and alcohol taxes are deductions from “Gross Receipts”, why aren’t they included under “Sales Total” in RFQ Exhibit 7?

Response: See response to Question #8 above. Projected Sales in RFQ Exhibits 6 and 7 should be net of all sales and TABC taxes. These taxes should not be shown on either RFQ Exhibit 6 Projected Sales or RFQ Exhibit 7 Projected Operating Proforma.

Question 11: Please confirm that the definition of Gross Receipts in RFQ Addendum 5 excludes “TABC mixed beverage gross receipts”, and, if so, why are “Catering Alcohol” and “Concessions Alcohol” included in “Sales” in RFQ Exhibits 6 & 7?

Response: See Section A.3 of the Addendum, and responses to Questions #8 and #10 above. Gross Receipts excludes mixed beverage gross receipts taxes, mixed beverage sales taxes, and sales taxes, not mixed beverage gross receipts.

Question 12: Where on RFQ Exhibit 7 should respondents indicate the amount for the equipment maintenance and replacement fund specified in Section 18.5 of RFQ Attachment 12 Revised Draft Contract?

Response: See response to Question #7 above.

Question 13: Where is the proposed outdoor Lila Café located in proximity to the Lila Cockrell Theatre (cannot tell from the architectural plans)?

Response: See pg. 4 of RFQ Attachment A Architectural Drawings. It is the irregular-shaped non-shaded area located adjacent to the Lila Cockrell Theatre, immediately east of the area indicated as the Lila Café. The entrance is indicated by the double-doors off the main corridor to the southeast of the area.

Question 14: RFQ Section 004 Scope of Service, pg. 5, states that the successful respondent must use the City's contractors for: cleaning; maintenance; pest control; Ansul and venthood cleaning, maintenance and inspection, and; dumpsters. Would you please provide the name/contact information and information regarding certification for each of these City contractors?

Response: The successful respondent is only required to utilize the City's contractors in the areas of: pest control; Ansul and venthood cleaning, maintenance and inspection, and; dumpsters. The successful respondent is not required to use City contractors for custodial service, or general and equipment maintenance in its assigned areas. The only services the City reserves the right to require the successful respondent to utilize City contractors are ones in which the service has a broader impact on the entire facility and thus requires the City to mandate the use of certain limited and vetted contractors. The current City contractors in these areas may not necessarily be the same ones in place in October 2015 when this contract commences; therefore, the City will provide all the information regarding the required contractors to the successful respondent at the appropriate time.



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