



## City of San Antonio

### ADDENDUM VIII

**SUBJECT:** Request for Qualifications (RFQ) for Catering and Concessions for the Convention Center (RFQ 014-007) Scheduled to Open: January 26, 2015; Date of Issue: May 21, 2014

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

**DATE:** November 25, 2014

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

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

1. **Add:** Pre-Submittal Conference to Section 007, Pre-Submittal Conference in the RFQ Document, to read as the following:  
  
**“One (1) additional Pre-Submittal Conference will be held at the Henry B. Gonzalez Convention Center, Room 207, 200 East Market Street, San Antonio, TX 78205 at 2:00 p.m. Central Time, on Monday, December 1, 2014. Attendance at the Pre-Submittal Conference is optional, but highly encouraged.”**
2. **Replace:** Attachment F, “Local Preference Program (LPP) Ordinance Identification Form” with updated document. Attachment is posted as a separate document.
3. **Replace:** Attachment G, “Veteran-Owned Small Business (VOSB) Preference Program Identification Form” with updated document. Attachment is posted as a separate document.
4. **Add:** Attachment J, “Joint Venture Information Form”. Document is posted as a separate document.
5. Section 011 – Restriction on Communication - Statement that reads, The point of contact is Edson Zavala. Mr. Zavala may be reached by telephone at (210) 207-3962 or by email at [Edson.Zavala@sanantonio.gov](mailto:Edson.Zavala@sanantonio.gov), is hereby changed to read, The point of contact is Celeste Flores. Ms. Flores may be reached by telephone at (210) 207-8110 or by e-mail at [Celeste.Flores@sanantonio.gov](mailto:Celeste.Flores@sanantonio.gov)

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

**Question 1:** As a result of the proposal due date extension, can the City provide a revised timeline of projected dates for this RFQ to include: deadline for the evaluation committee to complete its review; short-listed respondents presentations and interviews; High Profile Contract Council Committee post-solicitation briefing; contract negotiation, and; City Council consideration?

**Response:** City staff projects to present this item to the High Profile Contract Council Committee post-solicitation briefing on April 14, 2015 and recommend the successful respondent's contract for award to City Council on April 30, 2015. The following is a revised list of projected dates with respect to this RFQ, per Section 014 Schedule of RFQ Events:

RFQ Release Date	May 21, 2014
Pre-Submittal Conference #1	June 19, 2014 at 10:00 a.m. local time
Pre-Submittal Conference #2	July 8, 2014 at 10:00 a.m. local time
Pre-Submittal Conference #3	December 1, 2014 at 2:00 p.m. local time
Final Questions Accepted	January 12, 2015 at 10:00 a.m. local time
Proposal Due Date	January 26, 2015 at 11:00 a.m. local time

**Question 2:** With regard to RFQ Section 010 Submission of Proposal, please define “envelope(s)”.

**Response:** The term “envelope(s)” is used interchangeable with “sealed package” earlier in the first paragraph of RFQ Section 010. The intent is that the entire contents of the proposal package, including the original, hard copies and CD, should be packaged together and clearly marked as the section indicates.

**Question 3:** With regard to RFQ Section 010 Submission of Proposal and subsequent addenda on this subject, is it a requirement to place the project name and number on the proposal binder cover, binder sleeve, or any other location other than “on the outside of the envelope(s)”?

**Response:** Yes, the original proposal, each hard copy, and the CD must be clearly marked with the project name and number as indicated RFQ Section 010. For aesthetic purposes, respondents may place the project name and number on the inside cover. The City needs to be able to readily identify which solicitation the proposals are in response to.

**Question 4:** With regard to RFQ Attachment A, Part One General Information, D-U-N-S, or Dunn & Bradstreet, Number, does each joint venture member need to have and provide one, or only the prime respondent?

**Response:** A D-U-N-S Number (Dunn & Bradstreet Number) must be provided for the joint venture entity, if available, and for each member of the joint venture entity.

**Question 5:** With regard to RFQ Attachment C Contracts Disclosure Form, does each joint venture partner and subcontractor need to complete one, or only the prime respondent?

**Response:** Each member of the joint venture must complete a Contracts Disclosure Form as required by Sec. 2-59 of the City's Ethics Code and list individuals or entities that will be subcontractors on this contract.

**Question 6:** With regard to RFQ Section 008 Proposal Requirements, Financial Information, does each joint venture member need to provide this information, or only the prime respondent?

**Response:** Yes, joint venture members are considered co-respondents, and must provide the required financial information.

**Question 7:** With regard to RFQ Exhibit 6, the asterisk (\*) notation next to “Gross Receipts” references “Sales”. Please confirm that RFQ Exhibit 7 “Sales Total” should equal RFQ Exhibit 6 “Total Sales”, rather than RFQ Exhibit 6 “Total Gross Receipts”.

**Response:** See also RFQ Addendum 6, responses to Questions #2 – #5. Yes, RFQ Exhibit 6 “Total Sales”, as well as each component, should equal RFQ Exhibit 7 “Sales Total”, and each of its components. Further, as noted in RFQ Addendum 6, RFQ Exhibit 6 “Total Gross Receipts” should equal RFQ Exhibit 7 “Total Gross Receipts”, less only “Service Charges” and “Service Charge Payout”. For illustration, following are the corresponding components of both RFQ Exhibits 6 and 7:

RFQ Exhibit 6	RFQ Exhibit 7
Catering Sales	Catering
Catering Alcohol Sales	Catering Alcohol
Catering Waiver Sales	Catering Waiver
Sundry Sales	Sundry
Catering Non-Commissionable Sales	Catering Non-commissionable
Concessions Food Sales	Concessions Food
Concession Alcohol Sales	Concessions Alcohol
Café/Restaurant Sales	Café/Restaurant
<b>Total Sales</b>	<b>Sales Total</b>
Subcontractor Income	Sub Contracted Food
	less Sub Contractor Payout
n/a	Service Charges
n/a	less Service Charge Payout
Coat Check Income	Coat Check Income
Linen & Equipment Rental, Flowers, Etc.	Linen & Equipment Rental, Flowers, Etc.
Net Income from Novelty Sales	Net Income from Novelty Sales
<b>Total Gross Receipts</b>	<b>Total Gross Receipts</b>

**Question 8:** With regard to RFQ Exhibit 6, please confirm that “Total Gross Receipts” should NOT equal RFQ Exhibit 7 “Total Gross Receipts” since RFQ Exhibit 7 includes “Service Charges” and RFQ Exhibit 6 does not.

**Response:** Correct. See response to Question #7 above.

**Question 9:** With regard to RFQ Exhibit 7, please confirm “Subcontracted Food” may include alcohol sales.

**Response:** Yes.

**Question 10:** With regard to RFQ Exhibit 7, why are there are two separate line items for “Sundry” under “Payroll” costs?

**Response:** There should have only been one line item for “Sundry” under “Payroll costs. Respondents may enter their projected payroll costs for sundry sales in either cell A41 or A48, but not in both.

**Question 11:** With regard to RFQ Exhibit 7, can respondents clarify amounts listed by revising the line item descriptions and/or adding footnotes?

**Response:** For consistency and equity, the requested information must be provided in the format provided; however, respondents may add footnotes to provide additional information. Respondents should not utilize footnotes, however, to annotate any non-standard additions to or deductions from the amounts in the pro forma, and any such adjustments must already be contemplated in the amounts in addition to being noted in the footnotes.

**Question 12:** What is the deadline for the City to receive the joint venture partnership agreements, and do they have to be submitted in hard copy format, or can they be submitted electronically (i.e. PDF) by email?

**Response:** The deadline to submit joint venture agreements for review is two weeks before the proposal response deadline. Hard copies may be sent to: Alejandra Lopez, Assistant Director, Economic Development Department, City of San Antonio, P.O. Box 839966, San Antonio, TX 78205. Electronic versions may be emailed to [alejandra.lopez@sanantonio.gov](mailto:alejandra.lopez@sanantonio.gov). Draft copies of joint venture agreements may be submitted for review in advance of the proposal deadline. However, executed copies of joint venture agreements must be included in proposals submitted to the City to be eligible for consideration of possible LPP, VOSB, and / or SBEDA preferences.

**Question 13:** With regard to RFQ Attachment E Subcontractor/Supplier Utilization Plan, does the prime respondent have to include a percentage level of participation for each subcontractor they intend to use, or can the prime respondent group their subcontractors into certification groups (i.e. SBE, MBE, WBE) with collective percentages for the groups that align with the contract requirements (i.e. SBE 20%, MBE 14%, WBE 14%)? Can a prime respondent submit their proposal without having the percentage level of participation indicated for each subcontractor? Is the Good Faith Effort Plan option an alternative to completing these individual percentages?

**Response:** Prime respondents must list percentages for each subcontractor and should not group the participation levels by certification type. Proposals that fail to document how the SBE and M/WBE subcontracting goals will be attained by specifically listing the subcontractor names and participation percentages will be deemed non-responsive. Respondents have the option to request a waiver from the SBE and M/WBE subcontracting goals by documenting good faith effort through completion of the Subcontracting Waiver Request form available at: <http://www.sanantonio.gov/SBO/Forms.aspx>. If requesting such a waiver, the completed form and supporting document should be submitted with the proposal. Respondents should note that if the waiver request is denied and the respondent fails to document how the SBE and M/WBE subcontracting goals will be attained, the proposal will be deemed non-responsive.

**Question 14:** RFQ Section 012 Evaluation of Criteria notes that respondents that qualify as Joint Ventures (JV) and which include M/WBE partners will receive up to 20 Evaluation Preference Points. This section states later that no points will be awarded for M/WBE subcontractor participation. Can you clarify whether respondents can receive points for good faith efforts to achieve and achievement of the SBE and M/WBE subcontracting goals through solicitation and/or engagement of S/M/WBEs as subcontractors and suppliers rather than JV partners? Can you describe how points are allocated for S/M/WBE subcontractor participation?

**Response:** Respondents will not receive evaluation preference points for achievement or good faith effort towards achievement of SBE and/or M/WBE subcontractor goals. SBEDA evaluation preference points will only be awarded based on the M/WBE Joint Venture Program described in Section 012 – Evaluation Criteria. Requirements for good faith efforts by all respondents in achieving S/M/WBE subcontracting goals are separate, and in addition to, any evaluation preference points that might be awarded to qualifying Joint Venture respondents based on the M/WBE Joint Venture Program.

**Question 15:** If all joint venture partners that create a new joint venture partnership (LLC) for the purpose of this RFQ are considered “local” as defined under “Significant Business Presence” in the SBEDA Ordinance and as defined under the Local Preference Program described in City Code Chapter 2, Article XII, will the newly created LLC also meet the requirements of being “local” since 100% of its owners are “local”? NOTE: Please assume that although each local partner is continuing to operate its separate business at the present time, the partners will not operate under the name of the new LLC until the effective date of the new Convention Center Catering and Concessions Contract.

**Response:** The definition of “local” under the SBEDA Ordinance is irrelevant to the determination of whether or not a Joint Venture is eligible for the award of evaluation preference points pursuant to the Local Preference Program. The Local Preference Program has been revised to allow the City to consider the location of each business entity that makes up a Joint Venture, and each business entity’s ownership interests in the Joint Venture. Under the revised ordinance, Joint Venture is defined as follows:

Joint Venture – a collaboration of for-profit business entities, in response to a solicitation, which is manifested by a written agreement between two or more independently owned and controlled business firms to form a third business entity solely for purposes of undertaking distinct roles and responsibilities in the completion of a given contract. Under this business arrangement, each joint venture partner shares in the management of the joint venture and also shares in the profits or losses of the joint venture enterprise commensurately with its contribution to the venture.

As revised, a Joint Venture is eligible for a percentage of the evaluation points that its City Business member would have received if responding alone. The available points may be awarded in direct proportion to the ownership interests of the City Business in the Joint Venture. For example, if the City Business would have been eligible for 10 points, and owns 50% of the Joint Venture, the Joint Venture may receive 5 points (50% of 10 points).

**Question 16:** Are prime respondents required to issue an anticipated percentage of specific goods and/or services based on the 20% goal or based on the overall contract amount? In other words, it is the understanding that the fulfillment of the 20% SBE and 14% M/WBE subcontracting goals are encouraged, but can prime respondents choose to give certain subcontractors/suppliers a smaller percentage (e.g. 1.2%) of work from the 20% that's required for S/M/WBE firms, or should it be considered as 1.2% of work from the overall contract (i.e. 1.2% of 100% versus 1.2% of 14%). Is this up to the prime respondent or are there certain guidelines for distributing these percentages?

**Response:** Yes, respondents must reference the anticipated percentages of work for each specific subcontractor to be used towards achievement of the SBE and M/WBE subcontracting goals. Further, these percentages should be calculated based on the Net Revenue of the contract. Proposals that fail to document how the SBE and M/WBE subcontracting goals will be attained by specifically listing the subcontractor names and participation percentages will be deemed non-responsive. Respondents have the option to request a waiver from the SBE and M/WBE subcontracting goals by documenting good faith effort through completion of the Subcontracting Waiver Request form available at:

<http://www.sanantonio.gov/SBO/Forms.aspx>. If requesting such a waiver, the completed form and supporting document should be submitted with the proposal. Respondents should note that if the waiver request is denied and the respondent fails to document how the SBE and M/WBE subcontracting goals will be attained, the proposal will be deemed non-responsive.

**Question 17:** If a successful MBE located in a SAMSA HUB zone with commercially useful products does not qualify as an SBE, is it permissible to use this company's goods and services as a contributing percent towards the required 14% MBE compliance utilization goal?

**Response:** No. Only certified MBEs performing a commercially useful function and satisfying the SBEDA eligibility requirements may be counted towards satisfaction of MBE subcontracting goals.

**Question 18:** Would you please identify the current wage scale for all hourly front and back of house food and beverage employees at the HBG Center?

**Response:** The City does not have this information.

**Question 19:** If a prime is located outside of SAMSA but is responding through a JV with firms that have a HQ or significant business presence in SAMSA, would they receive Local Preference points for teaming up with them?

**Response:** The definition of "SAMSA" in the SBEDA Ordinance is irrelevant for purposes of determining which firms are "Local" and eligible for evaluation preference points as "City Businesses" under the Local Preference Program. The Joint Venture may receive local preference points if one or more of its members is a City Business. To receive Local Preference points, a business entity must meet the definition of a City Business. See RFQ Attachment F, Local Preference Program Identification Form for the definition of a City Business. Note that a firm that is located within the area defined by SAMSA may be in some locations that do not fall within the definition of City Business as they are outside of the legal limits of the City of San Antonio.

**Question 20:** If a new corporation or similar legal entity is formed for the purposes of structuring ownership of minority investors/operators, technically the new entity may have its headquarters in San Antonio, but only for a few days. Each shareholder or joint venture partner of the new entity will have operated in the city for many years, but the new entity itself formed for the purpose of ownership will be headquartered here only for a few weeks. If the goal is to encourage local, minority participation in the ownership group, it would seem that the new entity would qualify.

**Response:** The new legal entity would not qualify for Local Preference points since it has not been in existence for one year or more. However, a Joint Venture is eligible for a percentage of the evaluation points that its City Business member would have received if responding alone. The available points may be awarded in direct proportion to the ownership interests of the City Business in the Joint Venture. For example, if the City Business would have been eligible for 10 points, and owns 50% of the Joint Venture, the Joint Venture may receive 5 points (50% of 10 points).

**Question 21:** With regard to the previous question, what if the new entity has 51% or more local headquarters? For example, a non-local company forms an LLC or joint venture with local companies who have operated in San Antonio for many years. Ownership of the new entity is composed of 51% or more of local companies who have headquarters in San Antonio. Does that qualify for 10 Local Preference Program points?

**Response:** No, this scenario would not qualify for 10 Local Preference Program points. However, a Joint Venture is eligible for a percentage of the evaluation points that its City Business member would have received if responding alone. The available points may be awarded in direct proportion to the ownership interests of the City Business in the Joint Venture. For example, if the City Business would have been eligible for 10 points, and owns 50% of the Joint Venture, the Joint Venture may receive 5 points (50% of 10 points).

**Question 22:** With regard to the City's Local Preference Program, the current RFP for River Barge Concession designates 10 evaluation points for local businesses headquartered within the incorporated San Antonio city limits, OR; 5 evaluation points for a business with an office within the incorporated limits of the City, which has been established for at least one year, from which at least 100% of its employees OR at least 20% of its total full-time, part-time and contract employees are regularly based; and from which a substantial role in the business's performance of a commercially useful function or a substantial part of its operations is conducted by those employees. Does this RFQ have a similar point matrix?

**Response:** Yes, the Local Preference Program is applicable to the RFQ for Catering and Concessions for the Convention Center. See RFQ Attachment F Local Preference Program Identification Form.

**Question 23:** If a joint venture partnership has not been established yet, how does one obtain a Texas Comptroller's Taxpayer Number requested in RFQ Attachment A, Part One General Information by the deadline for proposals, and is a full joint venture partner agreement that meets all the criteria of RFQ Section 012 Evaluation of Criteria acceptable instead?

**Response:** Each business entity forming the joint venture must provide its Texas Comptroller's Taxpayer Identification Number (TIN or TID). In addition, an executed copy of the joint venture agreement shall be submitted with the proposal.

**Question 24:** With regard to RFQ Section 008 Proposal Requirements, Financial Information, what information should a newly formed corporation provide to fulfill this requirement?

**Response:** Each business entity forming the joint venture must provide the required Financial Information.

**Question 25:** Would subcontractors/suppliers associated with staffing services (NIGP code 96269), restaurants (NIGP code 96138), produce (NIGP codes 39028, 39029, 39084 & 39085), poultry (NIGP code 39049), janitorial services, and equipment maintenance/repair for kitchen equipment count toward the SBE and M/WBE subcontracting goals?

**Response:** Yes, all of these services/supplies are considered commercially useful to the delivery of this contract. Respondents should still ensure subcontractors/suppliers also meet the SBEDA eligibility criteria referenced on the Subcontractor/Supplier Utilization Plan.

**Question 26:** Please explain the geographic component of being SBEDA Eligible.

**Response:** To be SBEDA eligible, firms must be certified through the SCTRCA and must be headquartered, or must have a significant business presence in the San Antonio Metropolitan Statistical Area for at least one year. The San Antonio Metropolitan Statistical Area includes the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson.

**Question 27:** It is common for proposers to form new Joint Ventures (JV) or limited liability corporations (LLC) to respond to COSA RFPs:

- a. If the JV or LLC has been formed in the last month, can it receive any Local Preference (“LP”)?
- b. Assume a JV has 4 venturers, two of which representing 50% of the JV have been operating in SA for many years and two others are from outside of SA. How many LP points? What happens if local entities only have 25% or less? (asked differently, is there a threshold ownership to qualify for LP points, or is it pro rata based on ownership?) What if local entities own 90%--does the JV get all LP points, or only pro rata?

**Response:** A newly formed legal entity, other than a Joint Venture, would not qualify for Local Preference points, since it has not been in existence for one year or more. See responses to Questions 15, 19, and 20.

**Question 28:** Same question, but the two local venturers form new LLCs to participate in the JV but 100% owned by same local ownership (asked differently, does the form of entity/individual make a difference, if the entity/individual can establish long-term doing business in SA?)

**Response:** A business entity that would have qualified for local preference points will not qualify if it creates a new business entity for the purpose of joining a joint venture, since the new entity will not meet the definition of a City Business. That is, the newly created entity that seeks to join the Joint Venture will not have been in business for one year.

**Question 29:** What criteria are evaluated to establish whether an entity is “local?”

**Response:** In order to for an entity to be considered “local”, it must meet the following definitions of City Business and Principal Place of Business.

*City Business* – a for-profit business with a Principal Place of Business within the San Antonio city limits.  
*Principal Place of Business* – a business Headquartered for one year or more OR having an established place of business for one year or more in the incorporated limits of the City and from which at least 100 of its employees or at least 20% of its total number of full-time, part-time and contract employees are regularly-based and from which a substantial role in the business’s performance of a commercially useful function or a substantial part of its operations is conducted by those employees. A location utilized solely as a post office box, mail drop or telephone message center or any similar combination, with no other substantial work function, is not a Principal Place of Business.

**Question 30:** Does it make a difference that a LLC is used instead of a JV?

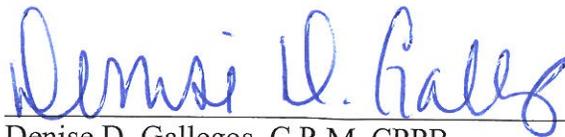
**Response:** The local preference program ordinance defines a joint venture as follows:

*Joint Venture* – a collaboration of for-profit business entities, in response to a solicitation, which is manifested by a written agreement between two or more independently owned and controlled business firms to form a third business entity solely for purposes of undertaking distinct roles and responsibilities in the completion of a given contract. Under this business arrangement, each joint venture partner shares in the management of the joint venture and also shares in the profits or losses of the joint venture enterprise commensurately with its contribution to the venture.

This definition must be met regardless of the legal form and business organizational structure chosen for the joint venture. A Joint Venture may be formed as an LLC, an LLP, or other business form. However, an LLC may not necessarily be formed as a Joint Venture in a manner consistent with this definition.

**Question 31:** What about limited liability partnerships? It is very common to form LLP with a corporate GP that only owns 1% of the LLP, with the balance owned by limited partners for liability reasons? If limited partners are locally owned, how are points awarded? (asked differently, does the fact that the locally owned entities have limited liability, and therefore limited control over LLP, have any effect on LP points?)

**Response:** If the limited liability partnership meets the definition of a City Business, then it will be eligible for local preference points. Note that if the LLP is also a Joint Venture, it must meet the definition of Joint Venture, including the requirements pertaining to management.



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