

February 13, 2012

Addendum to the Seaside Civic and Convention Center Exclusive Food and Beverage Services RFP # 2012-01

Please find the following Questions/Responses related to RFP # 2012-01 below.

Questions/Responses

Question: The RFP states the Service Charge distribution is pre-determined by the City at 60% to the employees, 35% to the building and 5% to the contractor. We estimate that FICA, SUTA, FUTA plus Workman's Comp will cost approximately 18 – 25% of the amount distributed (the 60%). Can the associated Payroll Tax/Insurance amount be deducted from the Service Charge revenue prior to distribution?

Response: Payroll expenses that are increased as a direct result from the vendors' responsibility of distributing the 60% share of the gratuity and service charge can be deducted from this source.

Question: The 60% of the service charge and gratuity that the Contractor receives and distributes to personnel will carry a payroll burden. These include but may not be limited to FICA, Medicare, SUCC, and Worker's Compensation. Is the payroll burden considered compensation allowing the Contractor to use a portion of the 60% received to fund payment of payroll burden?

Response: Payroll expenses that are increased as a direct result from the vendors' responsibility of distributing the 60% share of the gratuity and service charge can be deducted from this source.

Question: Are there any shop drawings of the kitchen area?

Response: Yes, the facility has a full set of architectural drawings that will be made available upon request.

Question: How are the concessions and portable sales provided? Can you please provide a drawing or plan view of the facility that shows portable food service and retail locations?

Response: Please see attachment titled "SCCC First Floor Building Diagram"

Question: Please provide event and attendance projections for 2012/13 and beyond, if exist.

Response: Estimated number of events in 2012/13 is **105**
Estimated number of event days in 2012/13 is **235**
Estimated number of attendees in 2012/13 is **38,000**

Question: Please provide Per Capita information by event type and/or area for 2009/10/11

Response: This information is not available.

Question: Please provide any Facility Pro forma that shows budgeted events, attendance and estimated food service returns to the operator/owner

Response: This financial document is considered proprietary to the current Food and Beverage vendor.

Question: We would appreciate any Profit/Loss Statements of current food service operations

Response: This financial document is considered proprietary to the current Food and Beverage vendor.

Question: Please provide a Facility Rental - rate card for each area/room

Response: Please see attachment titled "SCCC Facility Rates"

Question: Please provide a Sample Catering Contract/License

Response: This is a proprietary document between Food and Beverage vendor and client.

Question: Please provide any current sponsorship deals/ categories that would affect food service

Response: There are no current sponsorships agreements per se. The current Food and Beverage vendor does however have an agreement with Boyd's Coffee who provides coffee makers and brewers in exchange for exclusive coffee purchases and Pepsi who provides soda dispensing units, coolers and vending machine in exchange for exclusive beverage contract.

Question: What are the current Labor rates for concession workers> Are there any Collective Bargaining Agreements in place?

Response: There are no Collective Bargaining Agreements currently in place. Current labor rates are a matter of private negotiations with respective Food and Beverage vendor.

Question: Please provide Event settlement statements for 4-5 different event types, including live entertainment and family shows.

Response: Please see attachment titled "SCCC Event Settlements"

Question: Please provide Concession & catering menus, with pricing and portion sizes, if possible

Response: Please see attachment titled "SCCC Catering Menu"

Question: What are the approximate dry and wet good inventories of the incumbent; would we be required to purchase this inventory?

Response: This would vary depending on factors relating to number of concurrent events and projected number of attendees. No expectation of purchasing existing inventory is expected or implied.

Question: Are there any loans currently provided by the incumbent? If so, please provide details including the amortization and approximate set-off.

Response: There are no loans currently provided by the incumbent.

Question: Which employees cannot participate in the distribution of the service charge and gratuity? Specifically can all service staff including service staff management participate? Non-management kitchen staff can participate, but how is management kitchen staff defined or determined and who makes the determination?

Response: The collection of the Gratuity and Service charge is intended to provide incentive for recruitment and retention of qualified service staff. The distribution of such collection shall be limited to "Non-Management" service personnel as defined in the RFP. The determination and classification of "Non-Management" service personnel will be determined by the selected food and beverage provider.

Question: Please provide general details of the largest (for profit vs non-profit/at cost) party catered in last 12 months, including number of people.

Response: Please see email attachment titled “SCCC Food and Beverage Invoice” This event was a billed \$42,976.22 in Food and Beverage Service.

Question: There are news articles and on-line information regarding plans for renovation and expansion. Can you please elaborate?

Response: The City of Seaside is developing a comprehensive Facility Expansion Plan. We have completed a Market Feasibility / Impact Study, Development Master Plan / Architectural Study and currently working to prepare a Financial Feasibility Study RFP that is scheduled for release in fiscal 2012-2013.

Question: Is the City seeking an investment in the expansion/renovation by the proposer?

Response: The City of Seaside is expecting the Food and Beverage vendor to invest in additional quantities of small wares to satisfy increased demand in food and beverage functions as a result of any potential facility expansion. No additional financial investment is expected.

Question: In the City’s opinion, what is the condition of small wares? China glass & silver? Will this equipment be available for purchase by the successor vendor?

Response: The present condition of “Small Wares” is Fair-Good. The potential availability of purchase from current vendor is unknown at this time.

Question: How much is the monthly budget for repair & maintenance of the Kitchen equipment? (this can be answered with a copy of line item budget previously requested)

Response: SCCC has an annual “Equipment Maintenance” budget of \$5,000.00

Question: What is the age of the Major Equipment (list beginning on page 51)?

Response: With the exception of the Rational Convection Oven, all of the major equipment in the kitchen and food service areas is in excess of 35 years.

Question: The response to 3.2 G of RFP requests a response providing a desired increase of events. We request a detailed list of events (by event type) and attendance per event for the last two fiscal years, thank you.

Response: Please see attachment titled “SCCC Event and Attendance 2008-2011”

Question: Exhibit. B – page 1 of Draft Contract – should it read November 22, 2015 vs 2014? (2014 is two contract years)

Response: You are correct, the paragraph should read:

The period of performance under this Contract will begin on or about November 21, 2012 and will continue through a term of three (3) years, terminating November 22, ~~2014~~ 2015, with two (2), three-year extension options.

Question: Can we please have a copy of the current vendor’s contract to determine current percentages and splits?

Response: Please see attachment titled “SCCC Food and Beverage Contract”

Question: I was wondering if any financial information would be forthcoming in conjunction with the RFP. Three years of annualized sales broken down by food, n/a beverage, alcohol and concessions would be very helpful.

Response: Please see attachment titled “SCCC Food and Beverage Revenue”

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January 23, 2012**

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