



UNIVERSITY
OF KENTUCKY

Purchasing Division

Request for Proposal

UK-0663-7

Proposal Due Date- March 15, 2007

Beverage Pouring Rights



REQUEST FOR PROPOSAL (RFP)

ATTENTION: This is not an order. Read all instructions, terms and conditions carefully.

PROPOSAL NO.:	UK-0663-7	RETURN ORIGINAL COPY OF PROPOSAL TO:
Issue Date:	January 19, 2007	UNIVERSITY OF KENTUCKY
Title:	Beverage Pouring Rights	PURCHASING DIVISION
Purchasing Officer:	Kevin R. Stevens	ROOM 322 PETERSON SERVICE BLDG.
Phone:	859-257-5474	LEXINGTON, KY 40506-0005

IMPORTANT: PROPOSALS MUST BE RECEIVED BY: March 15, 2007 3:00 P.M. Lexington, KY time.

1. It is the intention of the Request for Proposal (RFP) to enter into competitive negotiation as authorized by KRS 45A.085.
2. Proposals for competitive negotiation shall not be subject to public inspection until negotiations between the purchasing agency and all Offerors have been concluded and a contract awarded to the responsible offeror submitting the proposal determined in writing to be the most advantageous to the University, price and the evaluation factors set forth in the advertisement and solicitations for proposals will be considered.
3. An award of contract may be made upon the basis of the initial written proposals received without written or oral discussions.
4. Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
5. The University reserves the right to request proposal amendments or modifications after the proposal receiving date.
6. The University's General Terms and Conditions and Instructions to Bidders, viewable at www.uky.edu/Purchasing/terms.htm, apply to this Request for Proposal. When the Request for Proposal includes construction services, the University's General Conditions for Construction and Instructions to Bidders, viewable at www.uky.edu/Purchasing/ccphome.htm, apply to the Request for Proposal.

NOTICE

1. Any agreement or collusion among Offerors or prospective Offerors, which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.
2. Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of 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 who violates any of the provisions of KRS 45A.325 shall, upon conviction, may be fined not less than ten thousand dollars or more than twenty thousand dollars.

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That I am the offeror (if the offeror is an individual), a partner, (if the offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the offeror is a corporation);
2. That the attached proposal has been arrived at by the offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other Contractor of materials, supplies, equipment or services described in the Request for Proposal, designed to limit independent bidding or competition;
3. That the contents of the proposal have not been communicated by the offeror or its employees or agents to any person not an employee or agent of the offeror or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official closing of the RFP;
4. That the offeror is legally entitled to enter into contracts with the University 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, 164.390, and
5. That I have fully informed myself regarding the accuracy of the statement made above.

SWORN STATEMENT OF COMPLIANCE WITH CAMPAIGN FINANCE LAWS

In accordance with KRS45A.110 (2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The Contractor by signing and submitting a proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the University by the successful Contractor prior to the award of a contract.

CERTIFICATION OF NON-SEGREGATED FACILITIES

The Contractor, by submitting a proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b) that prohibits the maintaining of segregated facilities.

SIGNATURE REQUIRED: This proposal cannot be considered valid unless signed and dated by an authorized agent of the offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office.

DELIVERY TIME:	NAME OF COMPANY:	PHONE:
PROPOSAL FIRM THROUGH:	ADDRESS:	FAX:
PAYMENT TERMS:	CITY, STATE & ZIP CODE:	E-MAIL:
SHIPPING TERMS: F.O.B. DESTINATION - PREPAID AND ALLOWED	TYPED OR PRINTED NAME:	WEB ADDRESS:
FEDERAL EMPLOYER ID NO.:	SIGNATURE:	DATE:

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Appendix 1 Beverage Product Bid Sheet I

Appendix 2 Vending Machine Locations

1.0 **DEFINITIONS**

The term "addenda" means written or graphic instructions issued by the University of Kentucky prior to the receipt of Proposals that modify or interpret the Request for Proposal documents by addition, deletions, clarification, or corrections.

The term "competitive negotiations" means the method authorized in the Kentucky Revised Statutes, Chapter 45A.085.

The terms "offer" or "proposal" means the Offeror(s) response to this Request for Proposal.

The term "Offeror" means the entity or Contractor group submitting proposal.

The term "Contractor" means the entity receiving a contract award.

The term "Purchasing Agency" means the University of Kentucky, Division of Purchasing, Room 322 Peterson Service Building, Lexington, KY 40506-0005.

The term "Purchasing Official" means the University of Kentucky's appointed contracting representative.

The term "Responsible Offeror" means a person, company, or corporation who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance.

The term "solicitation" means Request for Proposal (RFP).

The term "University" means University of Kentucky.

The term "**Addenda**" means written or graphic instructions issued by the University of Kentucky subsequent to the receipt of bids that modify or interpret the Invitation to Bid documents by addition, deletions, clarification, or corrections.

The term "**Beverage**" means branded nonalcoholic carbonated and non-carbonated beverages natural or artificially flavored within the Vendor's product line. Including carbonated soft drinks (bottled and fountain), carbonated soft frozen beverages, bottled waters (flavored, sweetened, spring, sparkling or mineral), fruit juices (sweetened and unsweetened), fruit juice-containing drinks, fruit punches, fruit flavored drinks (natural or artificially flavored), ready to drink tea products, Isotonics (drinks intended to replenish nutrients lost through heavy exertion or sports), and energy drinks (drinks containing additives or stimulants associated with activity).

For purposes of the resulting agreement, the term will NOT include the following beverages, which are expressly excluded from the definition:

- Isotonic drinks on athletic sidelines
- Any drink medically related to patient care (served at the request of a health care professional or patient)
- Any product used for academic research
- Any product marketed with a University trademark or logo

- Nutritional supplements
- All specialized or branded beverages that are part of a proprietary food concept or resulting from existing or future University agreements. Including but not limited to Starbucks or Chic-fil-A's Lemonade
- Kentucky Proud Products
- Milk or flavored Milk (Including alternative milk products)
- Fresh brewed coffee, or-ready-to-drink coffee products
- Fresh brewed Tea products
- Hot chocolate
- Ready-to-drink chocolate based products
- Frozen Smoothies or other blended products
- Milkshakes
- Water drawn from the public water supply
- Bulk water coolers
- All beverages prepared from powders or crystals
- Products not presently in contractor's product line
- ALL alcoholic beverages
- Any beverage not expressly included in the section above
- Any beverage provided by our Food Prime Vendor (i.e., Gordon Food Service) not provided by the Contractor

The term **"Exclusivity"** means 100% of the beverage pouring rights, 75% allotment of shelf space dedicated to packaged beverages and 100% of beverage vending.

Subject to the following exclusions:

- 1) The remaining 25% of shelf space dedicated to packaged beverages.
- 2) Beverages or services consumed on University property as a result of student activities generated under the auspices of student government, clubs or organizations. Beverages brought to the University by students, faculty, staff or visitors.
- 2) Recognized student groups and organizations shall be permitted to sell beverages on campus in connection with authorized student events. (i.e., bake sales or charity fund-raisers) The University shall not require the contractor to furnish beverage service at the same time.
- 3) During departmental or student affiliated organizations' activities, where beverages have been donated to the University community. The supplier shall be allowed to place temporary signage and to have their products served. The University will endeavor to give the contract contractor "first right of refusal" when these types of sponsorships opportunities arise. However, the University cannot guarantee first right of refusal in all such circumstances.
- 4) Special events, which contractually require the University to serve a product or brand(s) not offered by the beverage contractor. The contractor explicitly agrees that the University has the right to supply and serve brands other than those covered by the resulting agreement for such special events.

5) The University is affiliated with two radio stations, a student newspaper, other advertising publications including but not limited to web pages . This agreement shall not affect advertising or programming. However, no competing beverage shall be permitted to suggest an official association with the University

6) Sponsorship of recreation or wellness activities by competing beverage companies shall be allowed. The University will endeavor to give the contract contractor "first right of refusal" when these types of sponsorships opportunities arise. However, the University cannot guarantee first right of refusal in all such circumstances.

7) The University currently has a snack-vending contract that is separate from the beverage contract that covers the vending of coffee and milk on campus. Snack Contractor and Beverage Contractor may negotiate to supply certain brands or packaging of brands to the University with the prior written consent of the Executive Director for Dining Service or designee.

8) Events sponsored by unrelated university organizations, held on campus, which may directly solicit donations or sponsorship from beverage providers, which may or may not be the University contracted supplier. If these types of events occur, the sponsor will put up temporary signage and dispense its products appropriate for the event.

9) The University of Kentucky's basketball arena located at the Lexington Center named Rupp Arena is not included in any part of this contract.

The term "**Campus**" means the area inside the University's "acquisition boundaries" in Lexington, Kentucky as it now exists or may be amended from time to time during the term of this contract. Expressly excluded from the definition of Campus is the University of Kentucky's Boone Faculty Center.

The term "**Vendor**" means the entity receiving a contract award.

The term "**Purchasing Agency**" means the University of Kentucky, Division of Purchasing, Room 322 Peterson Service Building, Lexington, KY 40506-0005.

The term "**Purchasing Official**" means the University's appointed contracting representative.

The term "**Responsible Bidder and Responsive**" means a person, company, or corporation who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance.

The term "**Solicitation**" means Invitation to Bid (ITB).

The term "**University**" means University of Kentucky.

2.0 GENERAL OVERVIEW

2.1 Intent and Scope

This Request for Proposal (RFP) is issued to solicit proposals from qualified, financially sound, and responsible firms that will be used to select an exclusive Contractor to provide defined Beverages on the Campus of the University of Kentucky. This partnership grants the contractor the exclusive rights to include 100% of the pouring rights, 100% of beverage vending on campus, and 75% of retail shelf space dedicated to packaged beverages. The scope of the Request for Proposal is for Beverages served by the University Dining Service (beverage vending, fountain beverages and 75% of convenience store shelf space dedicated to Beverages) on Campus. All Dining Services contracts (new and existing) shall be required to pour the products of the Contractor as a result of this Request for Proposal. The Contractor shall be required to deliver to the various locations and appropriately restock and merchandise the product. The goal of the RFP process is to increase existing, and generate additional revenue streams for the University. This will be accomplished by establishing a long-term relationship with a Contractor that will be mutually beneficial to both parties. Opportunities to meet the goals are available by establishing competitive prices for products, Contractor advertising promotions in the form of athletic corporate partnership and signage opportunities and University sponsorship.

The University is currently contracted with Sodexo to provide concessions at all athletic venues on Campus (excluding Rupp Arena). Concessions at Rupp arena are contracted through the Lexington Center. UK Chandler Medical Center and the Kentucky Clinics have contracted with Morrison's to provide food service including beverage service to those entities. The current contracts with Sodexo and Morrison's requires them to use the University's contracted beverage provider. All vending machines including UK's hospital and the Kentucky Clinics will be covered under this contract.

2.2 Background Information

The current contract when issued included mostly soda vending, convenience soda retail items and soda fountain sales.

The University added Juice, Isotonics, and Energy drinks into the beverage vending, retail and fountain sales thus expanded the previous Beverage Pouring Rights contract as new products became available.

The Meal Plan necessitated changes in our residential and retail operations. Dining Services is attempting to meet the needs of our current customers with a greater emphasis on our "grab n' go" programs.

2.3 University Information

Located in Lexington, the University is the Commonwealth of Kentucky's flagship institution of higher education. As a land grant institution, the University is dedicated to enriching people's lives through excellence in teaching, research and service and plays a critical leadership role for the state by promoting human and economic development that improves lives within Kentucky's borders and beyond.

The University of Kentucky has a presence in all 120 counties – through its Agricultural Extension Service -- with an impact nationwide and abroad. Total enrollment is over 27,000 students, representing all Kentucky counties, every state in the nation, and 118 countries. In 2005 - 2006, the University conferred nearly 5,500 degrees among its comprehensive academic programs. Over 1,900 full-time faculty and 9,500 full-time staff are employed by the University.

The University consists of 16 colleges, plus the Graduate School. With 93 undergraduate programs, master's degrees in 99 fields, doctoral degrees in 66 programs, and four professional programs, the colleges include: Agriculture, Arts and Sciences, Business and Economics, Communications and Information Studies, Dentistry, Design, Education, Engineering, Fine Arts, Health Sciences, Law, Medicine, Nursing, Pharmacy, Public Health, and Social Work. The University boasts more than 80 national rankings for academic excellence.

UK's William T. Young Library is among the world's leading research libraries; its book endowment is the largest among public universities and ranks second only to Harvard University among all universities. Its broad scope of technology offers students, faculty and Kentucky residents access to the most up-to-date information from online journals, government publications, and private studies, as well as more traditional materials.

The UK Chandler Medical Center, which opened in 1960, is considered one of the nation's finest academic medical centers. The faculty, students and staff take pride in achieving excellence in education, patient care, research, and community service. As one of two Level 1 Trauma Centers in the state and the first health-care facility in Central and Eastern Kentucky to obtain distinction as a Primary Stroke Center, UK Hospital cares for the most critically injured and ill patients in the region. The 473-bed UK Hospital and UK Children's Hospital are supported by more than 500 faculty physicians and dentists, 400 resident physicians, and a staff of 3,300 health professionals committed to high-quality patient care.

Research at the University is a dynamic enterprise encompassing both traditional scholarship and emerging technologies. The Advanced Science and Technology Commercialization Center, for example, is a hub for multidisciplinary research collaboration. It is just one of more than 50 research centers and institutes across campus, including the highly acclaimed Sanders-Brown Center on Aging, Morris K. Udall Parkinson's Disease Research Center of Excellence, and Markey Cancer Center, where University researchers are discovering and developing new treatments to improve health care, providing a rich training ground for the next generation of researchers, and advancing the state's economic growth.

During fiscal year 2006, the University faculty received a record-breaking total of \$290.4 million in extramural funding for grants and contracts. The achievement marked an increase of 6 percent from last fiscal year and the fifth year in a row the University exceeded the \$200 million level in sponsored project awards. The majority of grants and contracts – 53.6 percent – were awarded by federal agencies and totaled \$155.5 million, an increase of 2 percent.

The University is committed to strong public service, reaching out to communities across the Commonwealth, sharing knowledge and making a difference in the towns, cities, and lives of all Kentuckians. An example is Health Education through Extension Leadership, a partnership between the College of Public Health, the College of Dentistry, the College of Agriculture, and the Cooperative Extension Service to enhance extension agents' capacity to deliver valuable health and wellness information throughout the state.

The University's agenda is simple – to be a catalyst for a new Commonwealth, one that is healthier, more prosperous and economically secure and that educates the state's best and brightest. The University is accelerating the movement toward academic excellence, becoming known worldwide for the quality of its academic programs, its commitment to undergraduates, its success in building a diverse community, and its engagement with the larger society.

In 1998, the Commonwealth of Kentucky initiated the Research Challenge Trust Fund (RCTF), an endowment match program. Since that time, the Commonwealth has appropriated more than \$350 million to the public universities to be matched with private donations primarily to support chairs and professorships, fellowships and scholarships, and the research and graduate missions of the institutions. To date, the University has been allocated \$202.2 million in RCTF funding.

Visit the University Web site at <http://www.uky.edu>.

Also, visit the following web page at http://www.uky.edu/OPBPA/Top20/Top20_sm.pdf that details the University's Business Plan for the future as it strives to become one of the Top 20 Public Research Universities. The Business Plan includes a projection of an additional 7300 students and 189 faculty by the year 2020.

The University Hospital also has a strategic plan located at the following website http://www.ukhealthcare.uky.edu/press/PDF/2004_stratplan.pdf. A new patient care facility is under construction with a projection of adding 1600 jobs upon its completion.

3.0 PROPOSAL REQUIREMENTS**3.1 Key Event Dates**

Release of RFP	January 19, 2007
Pre-Proposal Conference (Optional)	February 6, 2007
Deadline for Written Questions @ 3:00 p.m. on	February 20, 2007
RFP Proposals Due Date	March 15, 2007
Offeror Presentations *	week of March 26, 2007
Contract Award*	May 1, 2007

* The Potential Offeror Presentations and Contract Award are projected dates.

3.2 Offeror Communication

To ensure that RFP documentation and subsequent information (modifications, clarifications, addendum, written questions & answers, etc.) is directed to the appropriate persons within the Offeror's firm, each Offeror who intends to participate in this RFP is to provide the following information to the Purchasing Officer. Prompt, thorough compliance is in the best interest of the Offeror. Failure to comply may result in incomplete or delayed communication of addenda or other vital information. Contact information is the responsibility of the Offeror. Without the prompt information, any communication shortfall shall reside with the Offeror.

- Name of primary contact
- Mailing address of primary contact
- Telephone number of primary contact
- Fax number of primary contact
- E-mail address of primary contact
- Additional contact persons with same information provided as primary contact

This information shall be transmitted via fax or e-mail to:

Mr. Kevin R. Stevens
Purchasing Division
University of Kentucky
322 Peterson Service Building
Lexington, KY 40506-0005
Phone: (859) 257-5474
Fax: (859) 257-1951

E-mail: kstevens@uky.edu

All communication with the University regarding this RFP shall only be directed to the University Purchasing Officer listed above.

3.3 Pre-Proposal Conference

A Pre-Proposal Conference will be held in Lexington, Kentucky on February 6, 2007 at 10:00 AM in Room 231 Student Center, to allow prospective Contractors an opportunity to ask questions, and clarify the University's expectations. This conference provides Offerors an opportunity for oral questions.

The following items should be noted in reference to the Pre-Proposal Conference:

- Attendance at the Pre-Proposal Conference is **optional**. At this conference the scope of services will be discussed in detail and copies of prior year financial reports will be distributed.
- Offerors are encouraged to submit written questions after the Conference by the date listed in Section 3.1 Key Event Dates.

The University will prepare written responses to all questions submitted and make them available to all Offerors. The questions and answers will be made part of the RFP and may become part of the contract with the successful Contractor. Oral answers given at the conference are not binding.

3.4 Offeror Presentations

All Offerors whose proposals are judged acceptable for award may be required to make an Offeror presentation to the evaluation committee.

3.5 Preparation of Offers

Offeror is expected to follow all specifications, terms, conditions, and instructions in this Request for Proposal.

Offeror shall furnish all information required by this solicitation.

Proposals should be prepared simply and economically, providing a description of the Offeror's capabilities to satisfy the requirements of the solicitation. Emphasis should be on completeness and clarity of content. All documentation submitted with the proposal should be bound in the single volume except as otherwise specified.

An electronic version of the RFP is available through the University of Kentucky Division of Purchasing Web site: <http://www.uky.edu/purchasing/>

Click on: **Bid & Proposal Opportunities**

3.6 Proposed Deviations from the Request for Proposal

The stated requirements appearing elsewhere in this RFP shall become a part of the terms and conditions of any resulting contract. Any deviations there from must be specifically defined in accordance with the Transmittal Letter, Section 4.3 (d). If accepted by the University, the deviations shall become part of the contract, but such deviations must not be in conflict with the basic nature of this RFP.

Note: Offerors shall not submit their standard terms and conditions as exceptions to the RFP Terms and Conditions. Each exception to a University term and condition shall be individually addressed.

3.7 Proposal Submission and Deadline

Offeror must provide one (1) electronic copy on compact disk and ten (10) printed copies of each technical proposal under a sealed cover and one (1) electronic copy on compact disk and ten (10) printed copies financial proposals under separate sealed cover, prior to 3:00 P.M. Lexington, KY time on date as specified in Section 3.1 Key Event Dates and addressed to the Purchasing Officer as listed in Section 3.2 Offeror Communication.

Note: Proposals received after the closing date and time will not be considered. In addition, proposals received via fax or emails are not acceptable.

The University of Kentucky accepts deliveries of RFP's Monday through Friday from 8:00 am – 5:00 pm Lexington Kentucky time. However, RFP's must be received by 3:00 pm Lexington Kentucky time on the date specified on the RFP in order to be considered.

Proposals shall be enclosed in sealed envelopes to the above referenced address and shall show the closing time and date specified, the solicitation number, and the name and address of the Offeror on the face of the envelope. **The technical proposal shall be submitted in a sealed envelope under separate cover and the financial proposal shall be submitted in a sealed envelope under separate cover.** Both sealed envelopes shall have identical information on the cover, with the addition that one will state “**Technical Information,**” and the other, “**Financial Proposal.**”

Note: In accordance with the Kentucky Revised Statute 45A.085, there will be no public opening.

3.8 Addenda

Any addenda or instructions issued by the Purchasing Agency prior to the time for receiving proposals shall become a part of this RFP. Such addenda shall be acknowledged in the proposal. No instructions or changes shall be binding unless documented by a proper and duly issued addendum.

3.9 Disclosure of Offeror's Response

The Request for Proposal specifies the format, required information, and general content of proposals submitted in response to this RFP. The Purchasing Agency shall not disclose any portions of the proposals prior to contract award to anyone outside the Purchasing Division, the University's administrative staff, representatives of the State or Federal Government, if required, and the members of the committee evaluating the proposals. After a contract is awarded in whole or in part, the University shall have the right to duplicate, use, or disclose all Proposal data submitted by Offerors in response to this RFP as a matter of public record.

Any submitted proposal shall remain a valid proposal for six (6) months after the proposal due date.

The University shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal shall not affect this right.

3.10 Restrictions on Communications with University Staff

From the issue date of this RFP until a Contractor is selected and a contract award is made, Offerors are not allowed to communicate about the subject of the RFP with any University administrator, faculty, staff, or members of the Board of Trustees except:

- The Purchasing Office representative, any University Purchasing Official representing the University administration, or others authorized in writing by the Purchasing Office and
- University representatives during Offeror presentations.

If violation of this provision occurs, the University reserves the right to reject the Offeror's proposal.

3.11 Cost of Preparing Proposal

Costs for developing the proposals and any subsequent activities prior to contract award are solely the responsibility of the Offerors. The University of Kentucky will provide no reimbursement for such costs.

3.12 Disposition of Proposals

All proposals become the property of the University. The successful proposal will be incorporated into the resulting contract by reference.

3.13 Alternate Proposals

Offerors may submit alternate proposals. If more than one proposal is submitted, all must be complete (separate) and comply with the instructions set forth within this document. Each proposal will be evaluated on its own merits.

3.14 Questions

All questions should be submitted by either fax or e-mail to the Purchasing Officer listed in Section 3.2 no later than dated listed in Section 3.1.

3.15 Section Titles in the RFP

Titles of paragraphs used herein are for the purpose of facilitating ease of reference only and shall not be construed to infer the construction of contractual language.

3.16 No Contingent Fees

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this contract, except bona fide employees of the Offeror or bona fide established commercial or selling agencies maintained by the Offeror for the purpose of securing business. For breach or violation of this provision, the University shall have the right to reject the proposal, annul the contract without liability, or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee or other benefit.

3.17 Proposal Addenda and Rules for Withdrawal

Prior to the date specified for receipt of offers, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the University Purchasing Office, signed by the Offeror. Unless requested by the University, the University will not accept revisions, or alterations to proposals after the proposal due date.

4.0 PROPOSAL FORMAT AND CONTENT**4.1 Proposal Information and Criteria**

The following list specifies the items to be addressed in the proposal. Offerors should read it carefully and address it completely and in the order listed to facilitate the University's review of the proposal.

Proposals shall be organized into the sections identified below. The content of each section is detailed in the following pages. It is strongly suggested that Offerors use the same numbers for the following content as are used in the RFP.

- Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form.
- Transmittal Letter
- Executive Summary and Proposal Overview
- Criteria 1 - Offeror Qualifications
- Criteria 2 - Services Defined
- Criteria 3 - Financial Proposal
- Criteria 4 - Evidence of Successful Performance and Implementation Schedule
- Criteria 5 - Other Additional Information

4.2 Signed Authentication of Proposal and Statements of Non-Collusion and Non- Conflict of Interest Form

The Offeror will sign and return the proposal cover sheet and print or type her/his name, firm, address, telephone number, and date. The person signing the offer must initial erasures or other changes. An offer signed by an agent is to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the Purchasing Agency. The signer shall further certify that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud, and that the signer is authorized to bind the principal Offeror.

4.3 Transmittal Letter

The Transmittal Letter accompanying the RFP shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind the Offeror. It shall include:

- a) A statement referencing all addenda and written questions, the answers and any clarifications to this RFP issued by the University and received by the Offeror. If no addenda have been received, a statement to that effect should be included.

- b) A statement that the Offeror's proposal shall remain valid for six (6) months after the closing date of the receipt of the proposals.
- c) A statement that the Offeror will accept financial responsibility for all travel expenses incurred for oral presentations (if required) and candidate interviews.
- d) A statement that summarizes any deviations or exceptions to the RFP requirements and includes a detailed justification for the deviation or exception.
- e) A statement that identifies the Confidential Information as described in Section 6.23 Confidentiality.

Note: Offerors shall not submit your standard terms and conditions as exceptions to the RFP Terms and Conditions. Each exception to a University term and condition shall be individually addressed.

4.4 Executive Summary and Proposal Overview

The Executive Summary and Proposal Overview shall condense and highlight the contents of the technical proposal in such a way as to provide the evaluation committee with a broad understanding of the entire proposal.

4.5 Criterion 1 - Offeror Qualifications

The purpose of the Offeror Qualifications section is to determine the ability of the Offeror to respond to this Request for Proposal. Offerors must describe and offer evidence of their ability to meet each of the qualifications listed below.

1. The Offeror's proposal shall provide evidence of technical experience, facilities, organization, and support staff that will be assigned to the University to provide the products and services outlined within the RFP specifications.
2. The Offeror shall provide an organizational chart and proposed management team for this account.
3. The Offeror's shall provide a statement of compliance with all requirements of the RFP specifications.

4.6 Criterion 2 – Mandatory Services Defined

4.6.1 Beverage Vending

This category includes the exclusive opportunity to place beverage vending machines and product line on the Campus of the University. The Contractor is required to furnish and install all machines to be used in the execution of the contract and service each machine on a schedule approved by the university. Currently 168 soda machines*, 60 juice machines*, and 5 isotonic drink machines* are available on campus in approximately 111 locations. The quantity will vary during the term of the contract dependent upon customer demands. The Contractor may request additional locations for its machines; however, the University shall have final decision on placement of machines during this agreement. The University reserves the right to place machines

in locations where they may not make a profit, but rather offer a service to the campus community.

*Bluegrass Community and Technical College System (BCTCS) is included only to the extent that BCTCS Food Service is provided by Dining Services and subject to change. Dining Service currently provides service to 10 machines at BCTCS.

4.6.1.1 Products

The contractor shall identify and provide, or offer to provide, at the University's option, all beverages packaged, manufactured or distributed by or otherwise available (e.g., through agreements, partnerships, alliances or other cooperative efforts) to the beverage contractor. The beverage contractor shall commit to provide and include in the Beverage Program, on measurably comparable terms and conditions, all future beverages manufactured, packaged, or distributed by or otherwise made available to the beverage contractor. A minimum of eight (8) selections of 12 oz. cold can drinks and 20 oz bottles shall be vended. Product selection will be mutually agreed upon by both parties. The products to be used must be approved by the appropriate University personnel. All products offered for sale shall comply with all state and federal regulations (Food and Drug Administration (F.D.A.) and/or United States Department of Agriculture (USDA)) pertaining to but not limited to standards and regulation covering labeling, nutritional information and open dating compliance. If and when the contractor enters new beverage categories, produces new beverages or makes changes to existing products, the Executive Director for Dining Services and the Contractor shall decide by mutual agreement whether those beverage products will be sold on campus and at what price. Brands, flavors, and price shall be changed only with the prior written approval of the Purchasing Official during the term of the contract.

4.6.1.2 Vending Quantities are outlined in Section 8.1

4.6.1.3 Equipment Specifications

All equipment to be supplied must be like new, state-of-the-art vending equipment and provided at no cost to the University. The equipment to be furnished must be acceptable in appearance and operation to the University.

When grouped together the equipment must be of the same height to give uniformity of appearance.

Within one month of the execution of the agreement, the Contractor at its sole cost, shall provide the University with a custom vendor front panel design (i.e., UK logo) for use on the vending equipment placed on campus for up to three (3) machines per year of the contract. The design shall be mutually created and agreed upon by the Contractor and the University. The Contractor shall provide one vendor panel design refresh during the initial term of the contract. The design refresh shall be mutually created and agreed upon by the Contractor and the University.

Juice machine vendor front panel design must indicate the brand of juice contained therein.

Annually the beverage contractor and the Executive Director of Dining Services will evaluate all equipment to ensure equipment is in proper working condition and to determine which if any machines need to be replaced. The University reserves the right to require the beverage contractor to replace any units, as in the university's opinion that is considered unacceptable or unsafe for usage.

The equipment must operate on 110-115 volts and be U/L listed. Machines must include coin mechanisms and bill acceptors that accept current U. S. coin and currency, and must be promptly updated as needed to accept future U. S. coin and currency.

The University shall supply electrical source, outlets, and other applicable connections at each beverage vending location. Final connections of all equipment are to be made by the Contractor.

CBord/CS Gold system readers must be installed by the Contractor at all locations requested. This currently includes 30 beverage machines at all residence halls and the W. T. Young Library. The Contractor shall be responsible for the purchase, installation and maintenance of all card readers requested by the University. Any new equipment must be CBord/CS Gold compatible. The PLUS account card reader is in addition to the coin acceptor and bill validators

Within three months of each additional year of the contract, up to ten (10) additional machines shall be equipped with a declining balance card reader. The University will specify the new locations.

All machines must meet current Americans with Disabilities Act (ADA) standards.

All machines must be equipped with a non-reset counter for recording all sales by each machine. The university reserves the right to review these counters at any time with the Contractor. University personnel must verify the initial meter or counter reading of all vending machines in writing.

The required capacity of each machine shall depend on the needs and requirements of each location. The Contractor must furnish 72" high machines in some locations. The exact number and locations shall be decided following the award of the contract.

So long as Contractor does not manufacture or modify the equipment, it shall not be deemed to make any representations or warranties pertaining to the equipment. So long as Contractor complies with its equipment service and maintenance obligations, it shall have no liability for lost sales resulting from use of the equipment.

4.6.1.4 Machine Installation/Removal/Relocation

It shall be the responsibility of the Contractor to install machines and remove any non-working machines. Before an installation/removal takes place this service shall be scheduled with the Executive Director for Dining Services. Any damage incurred by the University as a result of this process shall be repaired at the Contractor's expense. Location of any new machines will be at the discretion of the University and the University reserves the right to request the successful Contractor to adjust service as needs develop.

The University may require the routine relocation or removal of a machine for the purpose of performing maintenance, modifying facilities, changing use of facilities, avoiding electrical problems, and many other purposes. The Contractor shall relocate or remove a machine within (7) seven working days after receipt of the request from the University. The University may require the emergency relocation or removal of a machine because it is a hazard to health and/or safety, or for other reasons. The Contractor shall relocate or remove these machines within (2) two workdays after receipt of the emergency request from the University.

4.6.1.5 Service and Maintenance Requirements

The Contractor is to provide maintenance and repair service 24 hours a day, seven days per week. For service calls placed during normal business hours, service is required within three (3) hours of the service call. For service calls made after hours or on weekends or holidays, service is required within twelve hours of the service call. Equipment that cannot be repaired within two (2) working days following notification of the problem is to be replaced with a similar piece of workable equipment. After hours maintenance will be limited to emergencies. If a machine is not repaired or replaced within the above-specified period the Contractor shall reimburse the University the amount equal to the annual daily commission rate for each day the machine is inoperable.

The contractor shall establish and implement a preventative maintenance program for all equipment installed to ensure proper, continuous operation and minimize the out-of-service time for equipment.

Each machine must be clearly identified with a number on its front so that reports of malfunctions can refer to a particular machine.

Each machine is to be clearly labeled near eye level in the vicinity of the coin/bill acceptor with UK Vending, the telephone number (7-VEND) to report malfunctions, and the university location to receive refunds when money is accepted and no product or an unsatisfactory product is vended.

To facilitate housekeeping all equipment and the space around is to be kept clean and in a sanitary condition. Any parts of the machine that are broken, scratched, or dented are to be repaired or replaced to maintain a clean appearance and prevent vandalism.

All cartons or packaging material left over from stocking the machines is to be discarded in dumpsters and not in the waste receptacles within buildings. In addition, the Contractor shall cooperate with any recycling programs the University has or develops during the contract period.

Equipment damage resulting from accident or vandalism shall be the responsibility of the Contractor. Equipment damaged by vandalism may be relocated with the consent of both parties.

The Contractor shall have access to their equipment located on the University campus only during the University's regular operating hours for the building where the

equipment is located. If the Contractor requires access at other times, permission to obtain admittance must be obtained from the appropriate University personnel.

Out-dated merchandise must be picked up and replaced with fresh product.

Vending machine stock shall be maintained as sales dictate to guarantee that out-of-stock conditions do not become a problem.

Machines shall be stocked and in operation 24 hours a day.

4.6.1.6 Service Personnel

The Contractor shall provide at all times a staff of experienced and qualified employees to work the University's account in sufficient numbers for efficient performance of the requirements of this contract. Contractor shall provide sufficient back-up personnel in times of staff shortages due to vacations, illnesses, labor disturbances and inclement weather, to maintain full service.

Personnel relations of employees on Contractor's payroll shall be Contractor's responsibility. Contractor shall comply with all applicable government regulations related to the employment, compensation, and payment of personnel. The Contractor shall pay wages and benefits and accept all employer liabilities for all employees.

Contractor's employees shall be in uniform and wear identification to be easily recognizable and shall be required to have proper University identification to access campus housing, medical, and research facilities. The Contractor shall be responsible for any fees or expenses related to obtaining proper identification. These items shall be kept up to date and current with the appropriate University Official. In the resulting contract and all communications hereto, it shall be clear that the employees of the Contractor are not employees of or agents of the University.

The Contractor shall ensure that its employees engage in appropriate conduct while working on the University campus. All personnel shall be subject to University regulations regarding personal behavior and use of University facilities, and shall be removed from servicing the University account at the request of the University for violations or for conduct contrary or offensive to the interests of the University and its staff.

Contractor shall supply the University with a list of supervisors and management by assigned work area when changes of management staff occur.

The Contractor is responsible for all facets of training and orientation of its new employees. At all times Contractor shall provide adequate and expert managerial and administrative supervision of its employees.

Hiring and firing of personnel shall be the sole responsibility of the Contractor. However, UK shall reserve the right to veto the placement of any person on the UK account or to require the removal of any employee from the UK account for any reason.

The University is required by state law to perform criminal background check on all employees. There is not a legal requirement that contractors of the University perform criminal background

checks. Contractor's response to this RFP shall state affirmatively whether or not it conducts criminal background checks on employees.

Contractor shall affirmatively state that it shall make a good faith effort to remind its employees who are known sex offenders of their registration requirements, and that it will make a further good faith effort not to assign known sex offenders to the University account.

4.6.1.7 Vehicles

Contractor vehicles must be easily identifiable and park in designated parking areas.

The University Motor Vehicle Parking and Traffic Regulations, as well as a service parking permit, may be obtained from the Parking and Transportation Department, Parking Structure #5, Lexington KY—(859) 257-5757. Vendors wishing to obtain a parking pass should contact the Parking and Transportation Office.

4.6.1.8 Accounting and Auditing

All revenue from the vending machines must be collected on a regular schedule, at a minimum of once per week.

The Contractor must maintain complete, accurate, and separate records of each machine in regard to collections, meter or counter readings, and product stocked for each machine in accordance with industry accepted accounting practices.

The Contractor shall take cash receipts to their place of business where records shall be maintained for each machine and each location. The University shall have the right to verify, at its discretion, on an unannounced basis, removals of receipts, meter reading, and money counting for each and all machines.

The Contractor is required to maintain accurate records of gross receipts and collections for each machine installed at the University. Those records are to be made available for audit and inspection by the University upon request. The contractor will advise the University of any Scheduled Independent Audit of its operation. The University will have the option to participate in the contractor's audits and may request a full report of such audits. The University, its authorized agents, or the state auditors will have full rights and access to examine contractor records.

Upon request, all records of sales machine maintenance and sanitation are to be made available to the University for inspection.

The Contractor is expected to properly secure the receipts generated through the beverage-vending program. In the event that receipts are stolen or otherwise missing, the Contractor shall pay a commission on these receipts as if they had been collected by the Contractor.

Losses incurred from the operation of vending equipment due to theft, fire, vandalism, damage, etc., will be absorbed by the Contractor.

4.6.1.9 PLUS Account

The University currently manages and maintains its own declining balance card called the PLUS Account on the CBord/CS Gold system. The card serves as the official identification card of the University community. A 4% commission based on the total sales shall be deducted prior to payment being made to the beverage contractor by Student Affairs to pay for the administration of this system. Campus vending had total sales on the Plus Card of \$26,554 in fiscal year ending June 2006.

4.6.1.10 Inspection of Vending Locations

All existing beverage-vending locations are listed in Appendix 2. Offerors are invited to visit the Campus and inspect the vending areas to acquaint themselves with the conditions to be encountered in servicing the account.

4.6.1.11 Refunds

The Contractor shall provide Dining Services with \$200.00 refund account for the refunding of monies to the public where a vending machine is not in good working order. A monthly procedure for reconciliation and reimbursement of refunds shall be established by mutual agreement between the Contractor and the Business Officer for Dining Services.

4.6.2 Convenience Store Operations

This category includes the opportunity for the Contractor to be the primary provider of canned or bottled Beverages that are sold in the Campus convenience stores and other retail operations, used in Campus catering activity, and provided to patients in the University Hospital. The University shall reserve 25% of beverage shelf space in the convenience stores for display and sale of products other than those sold by the Contractor in order to provide customers a broader choice.

The Contractor shall be required to provide any equipment for display or refrigeration of their products.

4.6.2.1 Food Shows

Dining Services hosts two food shows a year, one at the beginning of the fall semester the other during the spring semester. Participation and support in these shows is mandatory. The food shows will NOT be part of the gratis account.

4.6.2.2 Operations Included

Lexington Campus Dining Service Units

Location

Convenience Store Locations:

Blazer Xpress

Corner Store

Quick Stop

Limited Sales Residential Facilities:

Keeneland Drive

Complex Drive

Student Center

Blazer Cafe
Commons Market

Retail Locations:

Student Center Food Court

Ovid's

Intermezzo (coffee shop)

Lemon Twist

K-Lair Grill

Ag North Deli

BCTCS Atrium Café*

Catering

Dining Service Administrative Office

Note: These locations primarily sell dispensed beverages.

Keeneland Drive
Complex Drive

Avenue of Champions

W.T. Young Library

Patterson Drive

Graham Avenue

Hilltop Avenue

Agricultural Science Center North

Oswald Building

Avenue of Champions

Donovan Drive

*BCTCS is included only to the extent that BCTCS Food Service is provided by the Dining Services under existing MOU and subject to change.

4.6.2.3 Products

Contractor's standard containers and packaging are to be provided for this category including but not limited to 12-oz cans, 20 oz. bottles, 1 and 2-liter bottles. Each product shall be purchased in standard case lots.

The Contractor shall identify and provide, or offer to provide, at the University's option, all beverages packaged, manufactured or distributed by or otherwise available (e.g., through agreements, partnerships, alliances or other cooperative efforts) to the Contractor. The Contractor will commit to provide and include in the Beverage Program, on measurably comparable terms and conditions, all future beverages manufactured, packaged, or distributed by or otherwise made available to the beverage contractor.

4.6.2.4 Convenience Store Quantities

Category	Annual case volume
20 ounce carbonated	21,799
20 ounce non-carbonated	2,692
20 ounce water	16,939
Juice / Tea	8,241
12 ounce carbonated	25,518
2 Liter carbonated	151
1 Liter carbonated	94
Energy Drinks	1,796

4.6.2.5 Ordering

The University will place orders for each operational area as needed. The University will have no minimum order requirements. The University reserves the right to order all types and/or sizes of products, which are available from the contractor during the effective period of the contract, as deemed necessary by the University.

4.6.2.6 Delivery

All prices quoted in the bid are to be Freight On Board (FOB) destination prepay and allowed, including transportation, packaging, crate containers, etc., necessary to complete delivery. No additional charges shall be allowed for packing, loading, storage, or partial shipments. Also, include any container return allowances, which may be in effect.

Delivery includes but is not limited to stocking, cleaning, and facing displayed product on shelves and in coolers.

All deliveries are to be made upon request to the Dining Services Units. A minimum of three (3) delivery days per week is required. Due to campus traffic conditions and loading dock limitations, deliveries will be difficult or impossible if made by tractor-trailer truck.

Delivery schedules must be coordinated with each unit manager to ensure delivery at the requested time. In the event deliveries are delayed due to abnormal weather conditions or other reasons, it is the responsibility of the Contractor to notify the unit managers prior to the expected delivery time.

Each delivery shall be accompanied by an official delivery ticket showing contract number, purchase order number, and quantity delivered for each item. Tickets must be priced and extended with a grand total. The ticket shall be presented to and signed by the individual authorized to accept deliveries.

4.6.2.7 Equipment

The Contractor shall supply, install, and maintain the equipment (displays, coolers, frozen drink equipment, etc) necessary to promote the sale of beverages at University retail facilities, at no cost to the university. All equipment must be like new, state-of-the-art, and must remain in that condition through the life of the contract. The Contractor shall recommend and provide upgrades and any other equipment deemed necessary by the University throughout the life of the resulting contract.

Yearly, no later than 30 days from the anniversary date of the contract the equipment shall be examined by the University and the contractor with the objective of providing the best possible service to the student body, faculty, staff and visitors.

4.6.3 Fountain Beverages

This category includes the exclusive opportunity to provide dispensed Beverages on the Campus of the University including all events served by Dining Services. The Contractor shall have the first right of refusal to provide this category of products to additional contracts in the future for which the university has control.

The Contractor shall be required to provide and maintain all dispensing equipment required to serve the products, and provide any new equipment that the University Dining Services determines is reasonably necessary to maintain adequate service to the campus community.

4.6.3.1 Fountain Beverage Quantities

Category	Annual Case Volume
Post Mix	35,000 gallons
Pre-Mix	500 gallons
16 oz cups 1200/cs	360 cases
16 oz lids 1200/cs	55 cases
straws 5000/cs	32 cases

4.6.3.2 Operations Included

Lexington Campus Dining Service Units

Location

Residential Facilities:

Blazer Cafe

Keeneland Drive

Commons Market

Complex Drive

Retail Locations:

Student Center Food Court

Avenue of Champions

Ovid's

W.T. Young Library

Intermezzo (coffee shop)

Patterson Drive

Lemon Twist

Graham Avenue

K-Lair Grill

Hilltop Avenue

Ag North Deli

Agricultural Science Center North

BCTCS Atrium Café*

Oswald Bldg.

Catering

Avenue of Champions

Dining Service Administrative Office

Donovan Drive

Convenience Store Locations:

Blazer Xpress

Keeneland Drive

Corner Store

Complex Drive

Quick Stop

Student Center

*BCTCS is included only to the extent that BCTCS Food Service is provided by the University Dining Services under existing MOU and subject to change.

4.6.3.3 Other Units

Temporary locations may be requested during the life of the contract. The Contractor shall be required to supply portable fountain service equipment and support for Campus events.

4.6.3.4 Required Equipment

The Offeror must supply, install and maintain like new, state-of-the-art beverage dispensers, racks, CO² handling, ice dispenser conversion kits for fountain beverage products, and any other equipment as deemed necessary by the University at no charge to the university. The equipment shall remain in that condition through the life of the contract. The Contractor will recommend and provide upgrades and any other equipment deemed necessary by the University throughout the life of the resulting contract. The equipment shall have the ability to dispense carbonated water.

Contractor will be responsible for all CO² tanks required in the dispensing systems. Some areas shall require self-contained refrigeration dispensers and stands. The selection of

products to be dispensed and versatility of equipment required shall be determined by each Dining Service Assistant Director based upon reasonable customer needs. Specific equipment to be provided shall be agreed upon by the Contractor and Dining Services. Dispensing equipment shall have a secured locking mechanism. Equipment provided must be compatible with the existing equipment or acceptable replacement agreed to by the University.

Current Unit needs are as follows:

Lexington Campus Food Services:

BLAZER CAFE:

4 soda units with 8 dispensing heads. Ice machines mounted on top of beverage dispensers.
2 juice unit with 8 dispensing heads.
Carbonated slush/icee machine
Smoothie Machine

BLAZER XPRESS:

1 soda unit with 8 dispensing heads. Ice machine mounted on top of beverage dispenser.
Carbonated slush/icee machine
Smoothie Machine

STUDENT CENTER FOOD COURT :

4 soda units with 6 dispensing heads
2 soda units with 6 dispensing heads on stands
1 soda unit with 8 dispensing heads
2 juice unit with 8 dispensing heads.
Carbonated slush/icee machine
Smoothie Machine

COMMONS MARKET:

4 soda units with 8 dispensing heads. Ice machines mounted on top of beverage dispensers.
3 juice unit with 8 dispensing heads.
Carbonated slush/icee machine
Smoothie Machine

CORNER STORE:

1 soda unit with 8 dispensing heads. Ice machine mounted on top of beverage dispenser.
Carbonated slush/icee machine
Smoothie Machine

K LAIR GRILL:

3 soda units with 6 dispensing heads. Ice machines mounted on top of beverage dispensers
1 juice unit with 8 dispensing heads.
Carbonated slush/icee machine
Smoothie Machine

BCTCS ATRIUM CAFE:

2 soda units with 8 dispensing heads. Ice machines mounted on top of beverage dispensers
1 juice unit with 8 dispensing heads.
Carbonated slush/icee machine

Smoothie Machine

INTERMEZZO:

2 soda units with 6 dispensing heads. Ice machines mounted on top of beverage dispensers
 1 juice unit with 8 dispensing heads.
 Carbonated slush/icee machine
 Smoothie Machine

AG NORTH DELI:

1 soda unit with 8 dispensing heads. Ice machines mounted on top of beverage dispensers
 1 juice unit with 8 dispensing heads.
 Carbonated slush/icee machine
 Smoothie Machine

LEMON TREE:

1 soda unit with 6 dispensing heads. Ice machines mounted on top of beverage dispensers
 1 juice unit with 8 dispensing heads.
 Carbonated slush/icee machine
 Smoothie Machine

OVID'S:

2 soda units with 8 dispensing heads. Ice machines mounted on top of beverage dispensers
 1 juice unit with 8 dispensing heads.
 Carbonated slush/icee machine
 Smoothie Machine

CATERING

1 soda unit with 8 dispensing heads. Ice machines mounted on top of beverage dispensers
 Access to 12 mobile four dispensing head pre-mix mobile systems
 1 juice unit with 8 dispensing heads.
 Carbonated slush/icee machine
 Smoothie Machine

The University reserves the right to ADD or DELETE departments or change the dispensing equipment at any time as the need arises.

4.6.3.5 Product Variety and Identification

The Contractor shall identify and provide, or offer to provide, at the University's option, all beverages packaged, manufactured or distributed by or otherwise available (e.g., through agreements, partnerships, alliances or other cooperative efforts) to the Contractor. The Contractor will commit to provide and include in the Beverage Program, on measurably comparable terms and conditions, all future beverages manufactured, packaged, or distributed by or otherwise made available to the beverage contractor.

The University reserves the right to add related items to the contract established from this contract, upon mutual consent of the contractor.

All Beverages shall be made available to the University in packages and pursuant to specifications reasonably requested by the University. Offerors should identify all

specifications pertaining to the products including portion size, packaging and dispensing capability in concentration, if applicable, of each beverage in Appendix 1.

4.6.3.6 Service and Maintenance Requirements

The Contractor will be responsible for preventive maintenance and remedial service for all Contractor-supplied equipment in accordance with the manufacturer's recommendations and guidelines. A mutually agreed upon schedule for preventive maintenance shall be determined that will provide optimum trouble-free service and minimize down time which diminishes sales and quality of service. Technical service personnel shall be available and shall respond to requests to replace or repair malfunctioning equipment. A technician shall be on site and working diligently to return malfunctioning equipment to normal operation within **three hours** of the service call for a given incident. At its discretion, the University may require replacement or upgrade of equipment that continuously malfunctions or exhibits excessive downtime. Equipment changes, except replacement with like models, require a written approval from the appropriate University personnel. The Contractor should provide a detailed description of the equipment to be furnished in the bid.

Expenses resulting from acts of vandalism or accident shall be the responsibility of the Contractor. Acts of vandalism should be reported to the University Police and dealt with appropriately through the court systems.

4.6.3.7 Ordering

The University will place orders for each operational area as needed. The University will have no minimum order requirements. The University reserves the right to order other types and/or sizes of products, which are available from the contractor during the effective period of the contract, as deemed necessary by the University.

4.6.3.8 Delivery

All prices quoted in the bid are to be F.O.B. destination prepay and allowed, including transportation, packaging, crate containers, etc., necessary to complete delivery on a F.O.B. destination basis. No additional charges will be allowed for packing, loading, storage or partial shipments. Also, include any container return allowances, which may be in effect.

Delivery includes but not limited to stocking and rotating product.

All deliveries are to be made upon request to the Dining Services Units. A minimum of three delivery days per week is required. Due to campus traffic conditions and loading dock limitations, deliveries will be difficult or impossible if made by tractor-trailer truck.

Delivery schedules must be coordinated with each unit manager to ensure delivery at the requested time. In the event deliveries are delayed due to abnormal weather conditions or other reasons, it is the responsibility of the Contractor to notify the unit managers prior to the expected delivery time.

Each delivery shall be accompanied by an official delivery ticket in duplicate showing contract number, purchase order number, and quantity delivered for each item. Tickets

must be priced and extended with a grand total. The ticket shall be presented to and signed by the individual authorized to accept deliveries.

4.6.4 Marketing

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The University recognizes the importance of timely and effective marketing in increasing product sales. This marketing shall be targeted at the campus demographic group to support the sale of beverages on campus through all distribution channels (e.g., dining services, retail, vending, etc). The University will cooperate with the Contractor to develop effective marketing initiatives and strategies with respect to the various marketing opportunities throughout the University community. The University must approve all such initiatives and strategies in advance of their implementation. All marketing initiatives shall be at the Contractor's expense.

4.6.5 Advertising

The University will cooperate with the Contractor to place advertisement materials run promotions or giveaways that feature the Contractor's products and stimulate sales. The University must approve any advertising in any vending area. The University reserves the right to reject any advertising that interferes with its operations.

4.6.6 Advertising for Non-Vending Fountain Beverages

At Contractor's expense, Contractor may supply cups or point-of-sale advertising promoting Contractor's Beverages. The University reserves the right to reject any advertising that interferes with its operations.

4.6.7 Promotional Events

The contractor can assist in the creation and execution of mutually beneficial promotions. Product provided for participation in these events will NOT draw from the gratis account.

4.6.8 Samplings

The Contractor shall have the opportunity to distribute free product samples and literature. Samplings will NOT draw from the gratis account. The University reserves the right to reject any samplings that interferes with its operations.

4.6.9 Sponsorships

Departments at the University annually sponsor events, special promotions and other major campus programs. Participation in these events in the past by other contractors included providing product, the right to advertise, and monetary sponsorship of the event. The University shall attempt to offer the first right to donate the same or similar types or products and/or services being offered by another supplier.

4.6.10 Gratis (In-Kind Contribution)

Contractor shall provide an in-kind contribution of Beverages valued at the University's purchase price (increased annually by five (5) percent) to support University activities. The Executive Director for Dining Services shall determine the allocation of the gratis (in-kind) donations.

4.6.11 Truck Panels

The Contractor is required to provide a minimum of three advertising messages for an agreed upon timeframe per year promoting UKAA on Contractor truck panels; example, football schedule, women's basketball schedule, men's basketball schedule, or other UKAA promotional activities.

4.6.12 ATHLETIC SPONSORSHIP

4.6.12.1 Corporate partnership and Licensing

Contractor will have exclusivity in the "Beverage" category involving all aspects of Athletics with the exception of the radio and television contract. Currently there are no exclusive agreements available for radio and television.

Subject to the approval of University Licensing Department, Contractor will have the right and is expected to promote the fact it is a corporate partner of the University Athletic Association and is encouraged to do so by using media, promotions, signage, packaging, co-branding of product and other means of advertising. The University Licensing Department will work with the Contractor to maximize promotional opportunities on campus and in the retail market statewide.

The University Licensing Department, and its licensing agent, the Collegiate Licensing Company, will work with the Contractor to enhance all promotional opportunities involving cross promotions with third parties. The Athletic Association has other exclusive agreements with corporate partners that may preclude promotions in some product categories. Current Athletics corporate partners are: McDonald's (fast food), Papa John's (Pizza), Nike (shoe & team apparel), Gatorade (isotonic), Alltel (telecommunications), and Kroger (grocery retail) expires 6/30/2007,

On the occasion, which any of the University's athletics programs win a national championship during the term, the Contractor shall be compelled to market commemorative packaging. On such occasion, the University's licensing agent shall collect from the Contractor on the University's behalf a royalty of 25 cents per case of product sold bearing the University's marks.

Subject to University's prior approval, Contractor may use University's marks on Beverage advertising, promotional materials and point-of-sale materials.

Other uses of University trademarks or uses on other merchandise require a license agreement from University's licensing agent, Collegiate Licensing Company.

Any merchandise involved in a promotion, which includes the University marks, must be approved by the University Licensing Department and is subject to the University's licensing agent rules and regulations.

The University Athletic Association requires a minimum of two on package promotions each year involving Football and Men's Basketball (1 per sport).

The inventory property includes:

Commonwealth Stadium

2 fixed signs (11' x 17')
 1 rotating sign (7' x 16')
 1 in-game sponsorship (no commercial advertisement)

Memorial Coliseum

2 fixed scoreboard sign (1 – static 6' x 8' and 1 – matrix 2' x 8')

Non-Revenue Venues

Boone Tennis Center scoreboard (1 fixed – 2' x 6')
 Cliff Hagan Stadium scoreboard (fixed – 15' x 10')
 Soccer/stadium scoreboard (fixed 1' x 16')
 Softball Complex (fixed – 2' x 25')

Sponsorship Events

Ticket backs (Football & Men's Basketball)
 Midnight Madness (opening night of Men's basketball season)
 Wildcat Refuge (Football pre-game activity area)
 Stadium Cup for fountain drinks at all athletic venues (except Rupp Arena)

Non-Revenue Season Long Sponsorships

Women's basketball
 Volleyball
 Baseball
 M & W Soccer
 Gymnastics
 Softball

4.6.12.2 Media

In order to reinforce the position of the Contractor being the official exclusive Beverage provider to the University, the University is offering media advertising of the Contractor's products. The Contractor will be offered an opportunity to purchase the minimum media buy. The advertisement must be obtained through Host Communications the University's current TV and Radio broadcast rights contract holder.

Should the University deem the value of the media buy, as proposed in the offer of the Beverage Contractor, less than acceptable, the University may remove the media buy from the Pouring Rights contract. In doing so, the University will authorize Host Communications the opportunity to sell the reference media buy to another company without any restrictions.

The media buy includes at a minimum the following:

Radio

Football Game Broadcasts – 12 Games

- One (1) 60-second spot in each game

Basketball Game Broadcasts – 35 Games

- One (1) 60-second spot in each game

Coaches Call-in Shows

- One (1) 30-second spot in each Rich Brooks Call-in Show (14 Shows)
- One (1) 30-second spot in each Tubby Smith Call-in Show (17 Shows)

Television

Scorebox Feature during all sports broadcasts (23 Shows)

- Multiple Logo features in each of the following broadcasts:
- Men's Basketball TV Live and Delay, Women's Basketball TV Live, Football Delay, Baseball TV Live

Print

- Football Program: 2 Page Spread, four-color ad – 7 issues
- Basketball Program: 2 Page Spread, four-color ad – 17 issues

4.6.12.3 Miscellaneous

As part of being a Corporate Partner, the Contractor will receive two public address announcements per game, per sport, promoting the fact that Contractor is a corporate partner with University Athletic Association in conjunction with other corporate partners.

The Contractor will also receive mention in game programs or flip cards produced by University Athletic Association (non-revenue). (Does not include Men's Basketball or Football).

4.7 Criterion 3 – Financial Proposal

The Financial Summary Form shall contain the complete financial offer made to the University using the format contained in Section 8.0. **All financial information must be submitted in a sealed envelope under separate cover.**

1. A proforma annual financial operating statement for the entire beverage operations.
2. The guaranteed financial return to the University from the award of a contract.
3. Appendix 1 shall be completed in its entirety. All flavors, packaging and pricing must be completed for all categories.

4.8 Criterion 4- Evidence of Successful Performance and Implementation Schedule

1. Offeror shall supply names, addresses, and telephone numbers of three (3) business references from the management of other higher education customers for whom the contractor has provided beverage pouring rights similar to those outlined within the RFP specifications. The Offeror must grant permission to the University to contact the references.
2. Offeror shall provide an implementation and transition schedule for the proposal submitted.

4.9 Criterion 5-Other Additional Information

Please provide any additional information that the Offeror feels should be considered when evaluating their proposal.

The Offeror may present any creative approaches that might be appropriate. The Offeror may also provide supporting documentation that would be pertinent to this RFP.

5.0 EVALUATION CRITERIA PROCESS

A committee of University officials appointed by the Director of Purchasing will evaluate proposals and make a recommendation to the Director of Purchasing. The evaluation will be based upon the information provided in the proposal, additional information requested by the University for clarification, information obtained from references and independent sources, and oral presentations, if requested.

The evaluation of responsive proposals shall then be completed by an evaluation team, which will determine the ranking of proposals. Proposals will be evaluated strictly in accordance with the requirements set forth in this solicitation, including any addenda that are issued. The University will award the Contract to the responsible Offeror whose proposal is determined to be the most advantageous to the University, taking into consideration the evaluation factors set forth in this RFP.

The evaluation of proposals will include consideration of responses to the list of criteria in Section 4.0. Offerors must specifically address all criteria in their response. Any deviations or exceptions to the specifications or requirements must be described and justified in a transmittal letter. Failure to list such exceptions or deviations in the transmittal letter may be considered sufficient reason to reject the proposal.

The relative importance of the criteria is defined below:

Primary Criteria

- Offeror Qualifications
- Services Defined
- Financial Proposal
- Evidence of Successful Performance and Implementation

Secondary Criteria

- Other Additional Services

The University will evaluate proposals as submitted and may not notify Offerors of deficiencies in their responses.

Proposals must contain responses to each of the criteria, listed in Section 4 even if Offeror's response cannot satisfy those criteria. A proposal may be rejected if it is conditional or incomplete in the judgment of the University.

6.0 SPECIAL CONDITIONS**6.1 Contract Term**

The contract resulting from this RFP shall be effective July 1, 2007 through June 30, 2015, and is renewable for up to two additional one-year renewal periods. The total contract period will not exceed 10 years. The additional one-year annual renewals shall be contingent upon the University's satisfaction with the services performed.

6.2 Effective Date

The effective date of the contract shall be the date upon which the Parties execute it and all appropriate approvals, including the Commonwealth of Kentucky Government Contracts Review Committee, have been received.

6.3 Competitive Negotiation

It is the intent of the Request for Proposal (RFP) to enter into competitive negotiation as authorized by KRS 45A.085.

The University will review all proposals properly submitted. However, the University reserves the right to request necessary modifications, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to the best interests of the University.

Offeror(s) selected to participate in negotiations may be given an opportunity to submit a Best and Final offer to the Purchasing Agency. All information-received prior to the cut-off time will be considered part of the Offeror's Best and Final offer.

The University also reserves the right to waive minor technicalities or irregularities in proposals providing such action is in the best interest of the University. Such waiver shall in no way modify the RFP requirements or excuse the Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

6.4 Appearance Before Committee

Any, all or no Offerors may be requested to appear before the evaluation committee to explain their proposal and/or to respond to questions from the committee concerning the proposal. Offeror(s) are prohibited from electronically recording these meetings. The committee reserves the right to request additional information.

6.5 Acceptance or Rejection and Award of Proposal

The University reserves the right to accept or reject any or all proposals, or part of proposals, to waive any informalities, technicalities, clarify any ambiguities in proposals, and unless otherwise specified to accept any item in the proposal. In case of error in extension of prices or other errors in calculation, the unit price shall govern.

6.6 Additions, Deletions or Contract Changes

The University reserves the right to add, delete, or change related items or services to the contract established from this Request for Proposal. No modification or change of any provision in the resulting contract shall be made, unless such modification is mutually agreed to in writing by the Contractor and the Director of Purchasing, and incorporated as a written modification to the contract. Memoranda of understanding and correspondence shall not be interpreted as a modification to the contract.

6.7 Contractor Cooperation in Related Efforts

The University reserves the right to undertake or award other contracts for additional or related work to other entities. The Contractor shall fully cooperate with such other Contractors and University employees and carefully fit its work to such additional work. The Contractor shall not commit or permit any act, which will interfere with the performance of work by any other Contractor or by University employees. This clause shall be included in the contracts of all Contractors with whom this Contractor will be required to cooperate. The University shall equitably enforce this clause to all Contractors, to prevent the imposition of unreasonable burdens on any Contractor.

6.8 Entire Agreement

The Request for Proposal (RFP) shall be incorporated into any resulting Contract. The resulting contract, including the RFP and those portions of the Offeror's response accepted by the University shall be the entire agreement between the parties.

6.9 Governing Law

Contractor shall conform to and observe all laws, ordinances, rules and regulations of the United States of America, Commonwealth of Kentucky, and all other local governments, public authorities, boards or offices relating to the Property or the improvements upon same, or the use thereof, and will not permit the same to be used for any illegal or immoral purposes, business or occupation. The resulting contract shall be governed by Kentucky Law and any claim relating to this contract shall only be brought in the Franklin Circuit Court in Accordance with KRS 45A-245.

6.10 Termination for Convenience

The University, Division of Purchasing, reserves the right to terminate the resulting contract without cause with a one-hundred-twenty (120) day written notice. Upon receipt by the Contractor of "notice of termination," the Contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the Contractor will be calculated at the agreed upon rate prior to "notice of termination" and a fixed fee contract will be pro-rated (as appropriate).

6.11 Termination for Non-Performance**Default**

The Director of Purchasing may terminate the resulting contract for non-performance, as determined by the University for such causes as:

- Failure to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the University is not in its best interest, or failure to comply with the terms of this contract
- Failure to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained.
- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor there under. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) days period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Notification

The University will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the Director of Purchasing may terminate the contract by giving forty-five (45) days notice, by registered or certified mail, of its intent to cancel this contract.

6.12 Modification or Withdrawal of Offer

An offer and/or modification of offer received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered.

An offer may be modified or withdrawn by written notice before the exact hour and date specified for receipt of offers. An offer also may be withdrawn in person by an Offeror or an authorized representative, provided the identity of the person is made known and the person signs a receipt for the offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of offers.

6.13 Rejection

Grounds for the rejection of proposals include, but shall not be limited to:

- Failure of a proposal to conform to the essential requirements of the Request for Proposal.
- Imposition of conditions that would significantly modify the terms and conditions of the solicitation or limit the Offeror's liability to the University on the contract awarded on the basis of such solicitation.
- Failure of the Offeror to sign the University Request for Proposal, as part of the proposal. This includes the Authentication of Proposal and Statement of Non-collusion and Non-conflict of Interest statements.
- Receipt of proposal received after the closing date and time specified in the RFP.

6.14 Prime Contractor Responsibility

Any contracts that may result from the RFP shall specify that the Contractor or Contractors is (are) solely responsible for fulfillment of the contract with the University.

6.15 Assignment

The Contractor(s) shall not assign the contract in whole or in part without the prior written consent of the University. Any attempted assignment shall be void.

6.16 Permits, Licenses, Taxes and Commonwealth Registration

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state, and local governments in which work under this contract is performed.

The Contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. However, the Contractor need not be registered as a prerequisite for responding to the RFP.

The Contractor shall pay any sales, use, personal property and other taxes arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction, or the equipment or services delivered pursuant hereto shall be the responsibility of the Contractor.

The Contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law, including, but not limited to old age pension, social security or annuities.

6.17 Attorneys' Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the contract, and in the event the University prevails, the Contractor agrees to pay all expenses of such action, including attorneys' fees and costs at all stages of litigation.

6.18 Patents, Copyrights and Trademarks

The Contractor shall protect the University from any and all damages or liability arising from alleged infringements of patents, copyrights or trademarks.

6.19 Indemnification

The Contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages, costs (including attorney fees of attorneys of the University's choice and court costs) expenses, all liability of any nature or kind arising out of or relating to the Contractor's response to this Request for Proposal or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

6.20 Insurance

The successful Contractor shall procure and maintain, at its expense, the following minimum insurance coverages insuring all services, work activities and contractual obligations undertaken in this contract. These insurance policies must be with insurers acceptable to the University.

COVERAGES**Workers' Compensation****Employer's Liability**

Commercial General Liability, including operations/ completed operations, products, and contractual liability (including defense and investigation costs) including this contract.

Business Automobile Liability, covering owned, leased, or non-owned autos

LIMITS**Statutory Requirements (Kentucky)****\$500,000/\$500,000/\$500,000**

\$1,000,000 each occurrence (BI & PD combined) \$2,000,000 Products and Completed Operations Aggregate

\$1,000,000 each occurrence (BI & PD combined)

The successful Contractor agrees to furnish Certificates of Insurance for the above-described coverages and limits to the University Division of Purchasing. The University, its trustees and employees must be added as Additional Insured on the Commercial General Liability policy with regards to the scope of this RFP/contract. Any deductibles or self-insured retention in the above-described policies must be paid and are the sole responsibility of the Contractor. Coverage is to be primary and non-contributory with other coverage, if any, purchased by the University. All of these required policies must include a Waiver of Subrogation, except Workers' Compensation, in favor of the University, its trustees and employees.

6.21 Method of Award

It is the intent of the University to award a contract to the qualified Offeror whose offer, conforming to the conditions and requirements of the RFP, is determined to be the most advantageous to the University, cost and other factors considered.

Notwithstanding the above, this RFP does not commit the University to contract for any requirements detailed in this document. The University reserves the right to reject any or all offers and to waive formalities and minor irregularities in the proposal received.

6.22 Reports and Auditing

A log of calls reporting malfunctioning equipment and refund requests is to be kept by the Contractor showing the time and date the report is received and the time and date the problem is corrected. A copy of that log is to be given to Dining Services along with the monthly commissions report.

Provide a listing (with examples and frequency of issuance) of reports that will be provided to Dining Services, i.e., sales reports, sales history, promotional activities, etc.

The Contractor shall prepare and submit to the university a yearly, audited, profit and loss statement for the operation at the University.

A monthly report showing beginning and ending meter readings from sales, cash, and card sales, must be furnished to the University by the tenth of the following month. The report must be sorted by building showing the gross receipts on each machine, the commission thereon, the total commission for each building, and the grand total for campus operations.

Records of machine maintenance and sanitation will be forwarded to the University as part of the monthly report. These records will be open for inspection and/or audit by the University at any reasonable time.

The University reserves the right to audit the Contractor(s) records at any time.

6.23 Confidentiality

- a) Unless an exception in accordance with (C) below, and until the Effective Date of an agreement pursuant to this Request for Proposal, this RFP, any responses to the RFP, and other related documents, including but not limited to attachments, appendices, and exhibits, shall be marked and treated as CONFIDENTIAL, as provided for preliminary correspondence under KRS 61.878(1)(i).
- b) On and after the Effective Date of the agreement pursuant to this RFP, all documents associated with this RFP, unless an exception in accordance with (C) below, are NOT treated as CONFIDENTIAL documents and will be released upon receipt of a valid request under Kentucky Open Records law.

- c) Any material or information, in whole or in part, that is submitted whether before or after the Effective Date and that the party believes is confidential or proprietary shall be submitted separately in a document/format clearly marked CONFIDENTIAL. If a party submitting a response to a proposal believes that any document, before or after the Effective Date of the agreement, in whole or in part, pursuant to the RFP is confidential or contains confidential or proprietary information, the party shall identify the specific information and shall submit a listing of the information and the rationale for its being confidential or proprietary. University Office of General Counsel shall review the submitted material/information, consulting with officials of the submitting company, if needed, and make a final determination as to the confidential or proprietary nature of the submitted material.

6.24 Extending Contract

The Offeror's response to this RFP must state whether or not the offeror will permit the use of this contract by other Universities, state agencies, public and private institutions in the Commonwealth of Kentucky. An answer to this issue must be submitted within the response.

6.25 Copyright Ownership and Title to Designs and Copy

Contractor and University intend this RFP to result in a contract for services, and both consider the products and results of the services to be rendered by Contractor hereunder to be a work made for hire. Contractor acknowledges and agrees that the work and all rights therein, including, without limitation, copyright, belongs to, and shall be the sole and exclusive property of the University. For any work that is not considered a work made for hire under applicable law, title and copyright ownership shall be assigned to the University.

Title to all dies, type, cuts, artwork, negatives, positives, color separations, progressive proofs, plates, copy, and any other requirement not stated herein required for completion of the finished product for use in connection with any University job shall be the property of and owned by the University. Such items shall be returned to the appropriate department upon completion and/or delivery of work unless otherwise authorized by the University. In the event that time of return is not specified, Contractor shall return all such items to the appropriate University department within one week of delivery.

6.26 University Graphic Standards

The Contractor must adhere to all University Graphics Standards. University Graphics Standards are maintained by the University Public Relations office and can be viewed at <http://www.uky.edu/regsgraphics/>. Non-adherence to the standards can have a penalty up to and including contract cancellation. Only the UKPR Executive Director or designee can approve exceptions to the University standards.

6.27 Printing Statutes

The Purchase of Printing Services for all state agencies is governed by Chapter 57 of the Kentucky Revised Statutes. Specifically all Printing must be awarded to the lowest responsive bidder and approved by the Governor of Kentucky. In compliance with these statutes, all printing must be provided by a contract established by the Purchasing Division.

6.28 Damaged or Inferior Material

When services are not delivered on the agreed date between the contractor and the University, or if inferior or incomplete work is found, the Purchasing Division in concurrence with the using department reserves the right to reject such materials and request replacement as stated above or authorize the contractor to issue a credit based on the University's cost for all material found unacceptable.

6.29 Payment of Sponsorship Fees

The annual University Sponsorship fee, Vending Commission, and the annual Athletics Sponsorship fee shall be paid within thirty (30) days of the effective date of the contract, and on July 1st of each year thereafter during the term of the contract.

6.30 Price Changes

The University requires product costs, and vending prices to remain firm for a period of not less than 3 years beginning with the contract start date. Price changes following the initial 3-year firm fixed rate, if any, may only increase by the percent increase in product costs. The percentage of increase cannot exceed the percentage amount equivalent to the most recent change listed in the Consumer Price Index, "Food and beverages" for the U.S. City Average Area. The request for changes will be reviewed on an annual basis by the Purchasing Agency. The Vendor must provide the University with a minimum of forty-five (45) days prior written notice and documentation from the manufacturer of any proposed price increases. Any price increase approved shall be agreed upon and signed by the Purchasing Agency and the Vendor. Price increases thereafter will only be done on the anniversary date of the contract with a minimum forty-five (45) notice.

6.31 Quantities

Quantities listed herein are for informational purposes only. The University will not be bound by quantities listed.

6.32 Open Market

If conditions exist, where the Contractor is unable to deliver, in accordance with the contract, any or all products the University reserves the right to purchase items for immediate use for its continuing operation in the open market. The University will bill the Contractor the difference between contract price and the actual price paid.

6.33 Late Payments

If payments are not received by the University on the due dates described herein, the unpaid commissions shall accrue interest at the lesser of twelve percent (12%) per year or the highest contractual interest rate allowed by the Commonwealth of Kentucky. All such amounts shall be calculated on a monthly basis and shall be due and owing in the same manner.

6.34 Energy Saving Devices

The University at its sole costs reserves the right at any time during the life of the contract to install energy saving devices on any equipment owned by the contractor.

6.35 Recycling

The contractor is strongly encouraged to use product packaging that can be recycled. Programs promoting the recycling of products should be developed with the University.

7.0 Scope of Services**7.1 Detailed Services Defined****7.1.1 Vending**

1. Describe any difficulties Offeror anticipates in providing vending machine service on the University campus, and how contractor plans to manage those difficulties.
2. Offeror should describe any assistance that contractor will require from the University.
3. Detail any new or optional equipment available to the University.

7.1.2 Sales

1. Detail the Offeror's plan to increase sales on campus.

7.1.3 Advertising

1. Detail the Offeror's marketing plan in assisting the University in its marketing/branding initiatives above what is required within the RFP.

7.1.4 Licensing

1. Please propose other promotional activities utilizing University's marks, including joint promotional activities. A royalty equaling the University's standard rate for promotional items (currently 10% of the value of the item) shall be paid to the University's licensing agent if the promotion involves a premium item.

7.1.5 Electronic Ordering

1. Detail the Offeror's electronic ordering process. If applicable, the University will review the electronic ordering process prior to agreeing to its use.

7.1.6 Product Recall

1. Describe Offeror's ability to, within 24 hours of receipt of any notice of product recall, notify the appropriate University personnel of such recall, and arrange to have recalled product removed and replaced with a similar product.

7.1.7 Open Market Purchases

1. Detail how Offeror will work with the University to remedy the need to purchase Contractor's product on the open market in order for the University to continue its operation. Describe the reimbursement procedures.

7.1.8 Plus Card

1. The Offeror must include the commitment to participate in the development of a specific installation and conversion schedule. It is the Universities intent that beverage vending operations and equipment support encourage the use of the PLUS account.
2. Provide plan to install card readers.

7.1.9 Products, Delivery, and Service

1. Provide a delivery plan and schedule for the University that will maintain adequate merchandise in all machines. Detail the hours Offeror's drivers will be working to accomplish all deliveries. Include proposed regular deliveries and "as needed" deliveries.

NOTE: The Hospital area is a 7 day a week, 365 days a year operation while traffic on campus may decline during the summer months. Even in slower month's merchandise must remain at the predetermined levels.

2. Provide a Service plan to detail how the Offeror will provide repairs and service to equipment.
3. Provide a complete list of the products in Offeror's product line in Appendix 1.

7.1.10 Shelf Space in Convenience Stores

1. The contract resulting from this RFP will give 75% of the shelf space dedicated to items included in this contract in the retail stores to the Contractor. Please provide a method in dividing and defining the space.

7.1.11 Cash Handling

1. Describe Offeror's cash handling methods including procedures for collection and transportation, recording, verifying and reporting sales.

7.1.12 Industry Changes and/or Trends

1. Provide information regarding industry changes and trends that can be expected to occur in a higher education environment, including any planned actions that the contractor believes may be necessary to respond to industry changes and trends.
2. Describe any current programs that encourage the recycling of drink containers.

7.2 Optional Services

1. Please provide an alternative plan for beverage shelf space in retail stores including but not limited to 100% shelf space to Contractor and the fee Contractor is willing to pay for exclusive rights.
2. Please provide an alternate plan Plus Card reader on vending machines.
3. Please provide any additional optional services the University may be interested in pursuing.

8.0 Financial Offer**8.1 FINANCIAL OFFER SUMMARY FORM****1. Vending Operations**

Offeror will be expected to guarantee a minimum annual fixed dollar amount of commissions to the University and a percentage commission on units sold at the sales prices listed below. Should the commission revenue based on sales be less than the guaranteed annual amount in any contract year the shortage will be the responsibility of the contractor. ,

Vending Guaranteed Annual Minimum Dollars \$_____

The annual Vending Guarantee will increase at a minimum 5% per year. Please provide percentage of increase above the minimum 5% _____.

Please provide the proposed commission percentage to be paid per vend rate, for each product category

	Vend Rate	Annual Case Volume	Percent Commission Rate on Gross Sales
20 ounce carbonated	\$1.25	28,488	
20 ounce non-carbonated	\$1.25	2,034	
20 ounce water	\$1.25	3,552	
Energy	\$2.50	3,409	

Once the minimum guarantee has been attained in commissions based on the above percentages the contractor will begin to pay the University the above percentages on sales within 10 days of the following month in which the minimum was reached.

2. Gratis (In-Kind Contribution)

Contractor shall provide a yearly gratis (in-kind contribution) of Beverages valued at the University's purchase price of \$_____ increased annually by five (5) percent to support University activities.

3. University Sponsorship Fee (Annual Dollars) \$_____

4. Athletic Sponsorship Fee (Annual Dollars) \$ **400,000**

The University is contractually bound to Host Communications for the above amount.

5. Media Sponsorship \$_____

Should the University deem the value of the media buy, as proposed in the offer of the Beverage Contractor, less than acceptable, the University may remove the media buy from the Pouring Rights contract.

The annual University Sponsorship fee, Vending Commission, and the annual Athletics Sponsorship fee shall be paid within thirty (30) days of the effective date of the contract, and on July 1st of each year thereafter during the term of the contract.

8.2 Alternate Pricing

In addition to the above financial offer, Offeror may submit alternative financial proposals, however the information requested above must be supplied and will be used for proposal evaluation purposes.