



UNIVERSITY
OF KENTUCKY

Purchasing Division

Request for Proposal

UK-1149-12

Proposal Due Date- 03/09/2012

Vending Service Program

UNIVERSITY OF KENTUCKY

Purchasing Division

REQUEST FOR PROPOSAL (RFP)

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

| | |
|--|---|
| PROPOSAL NO.: UK-1149-12 | RETURN ORIGINAL COPY OF PROPOSAL TO: |
| Issue Date: 02/10/2012 | UNIVERSITY OF KENTUCKY |
| Title: Vending Service Program | PURCHASING DIVISION |
| Purchasing Officer: Wendy Holland Brown | 411 S LIMESTONE |
| | ROOM 322 PETERSON SERVICE BLDG. |
| | LEXINGTON, KY 40506-0005 |
| Phone;Email: 859-257-5404; wendy.holland@uky.edu | |
| IMPORTANT: PROPOSALS MUST BE RECEIVED BY: 03-09-2012 | 3:00 P.M. Lexington, KY time. |

NOTICE OF REQUIREMENTS

1. 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.
2. Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
3. 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.
4. 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 the Offeror, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sale and use tax imposed by Chapter 139 to the extent required by Kentucky law and will remain registered for the duration of any contract award.
6. 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: | DUNS # |
| PROPOSAL FIRM THROUGH: | ADDRESS: | Phone/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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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. In determining whether an Offeror is responsible, the University may evaluate various factors including (but not limited to) financial resources; experience; organization; technical qualifications; available resources; record of performance; integrity; judgment; ability to perform successfully under the terms and conditions of the contract; and adversarial relationship between the Offeror and the University this is so serious and compelling that it may negatively impact the work performed under this RFP; or any other cause determined to be so serious and compelling as to affect the responsibility of the Offeror.

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

The term "University" means University of Kentucky.

2.0 **GENERAL OVERVIEW**

2.1 **Intent and Scope**

This Request for Proposals (RFP) is being issued by the University of Kentucky to obtain proposals from qualified, experienced, financially sound, and responsible firms to establish a contract for a Vending Service Program that will include operation, delivery of products, cleaning and maintenance of snack vending machines, coin changers and all related equipment at specified locations across campus. The University seeks a win-win, synergistic relationship that promotes both the University and the successful offerors products. The successful offeror shall provide high quality snack vending machine services at prices that are competitive with local vendors in the Lexington, Kentucky area and give prompt and professional operation and maintenance of the snack vending machines and all related equipment. The successful offeror will be required to service and replace these on an as needed basis as well as provide equipment upgrades (i.e. labels, front facing, dollar bill validators, etc.) at no cost to the University. Replacement machines must be new or like new and be equivalent or better than the ones currently in use, energy efficient, and have declining balance card capabilities that are compatible with the current Diebold system. (See Section 7.0 for further details). The successful bidder must also maintain the current 20 card readers and install, as needed, new card readers for the declining balance cards. All vending machines need to conform to revised ADA regulations implementing Title II and Title III, specifically the new regulations on side reach requirements. The successful offeror will be required install or remove and maintain any additional equipment that is required to meet the needs of the University for this program this would include new buildings on campus.

Proposals should support existing operations and describe opportunities and strategies to modify and/or improve existing distribution or operations. The University is specifically requesting recommendations on how to maximize revenue, promote and increase market share and provide exceptional service to the University community. It is the University's intent to award a single contract; however we reserve the right to award multiple contracts if it's determined to be in the best interest of the University. The estimated dollar value of this contract is approximately \$1,462,752 per year, (2008-2009 \$1,526,324; 2009-2010 \$1,430,776; 2010-2011 \$1,431,156)

The University expects that the products to be vended in the snack vending machines will include, but should not be limited to, cold foods (including but not limited to sandwiches, milk, cheese, natural juices), snacks (including but not limited to chips, pretzels, pastries, candy, gum, low fat/nutritional snacks), unbranded hot drinks (including but not limited to coffee, hot chocolate and soup), and fruit juice. Vending machines must stay stocked with adequate products. Failure to maintain may result in termination of contract.

The Vending Service Program will not include soda vending. The University of Kentucky has a contract with Coca-Cola for Beverage Pouring Rights. Under the terms of this contract, Coca-Cola is responsible for providing all soda vending services on the university campus. All of the soda vending machines belong to Coca-Cola and they are responsible for filling and maintaining the machines. No other soda products are allowed to be sold from vending machines on the University campus.

Services are further defined in Section 7.0.

2.2 Background Information

The current contracted vendor owns, maintains and stocks the vending machines on campus. This contract was started in 2005. There are 113 machines currently on campus. Please review Attachment A pages 1-6 location information and type of machines.

2.3 University Information

Founded in 1865, the University of Kentucky (UK) is a public, research-extensive, land grant university dedicated to enriching people's lives through excellence in teaching, research, and service. UK's campus covers more than 716 acres and total enrollment is more than 28,000 students representing all Kentucky counties, every state in the nation, and 117 countries. UK has more than 12,000 full-time employees.

The University is led by Dr. Eli Capilouto who assumed the presidency July 1, 2011. He is UK's 12th president.

The University of Kentucky has long embraced its mission to provide excellent education to outstanding resident and non-resident students, recognizing that a knowledgeable populace is the best foundation for a prosperous Commonwealth. As one of America's premier public research institutions, UK conducts \$300 million a year in research and provides service, attacking some of the state's most significant challenges, in every corner of the Commonwealth and beyond.

Some 200 major and degree programs are available at UK in 16 academic and professional colleges. 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. UK boasts more than 70 national rankings for academic excellence.

UK operates a nationally recognized research library system, with the capstone being the world-class William T. Young Library. UK's book endowment is the largest among public universities. Its library network and technology provide extraordinary service to students in the colleges of Medicine, Law, Engineering, Fine Arts and other programs. Meanwhile, students, faculty and Kentucky residents can use UK Libraries' advanced technology to access the most up-to-date information from online journals, government publications and private studies.

The UK Medical Campus is considered one of the nation's finest academic medical centers and is comprised of the academic, research and patient care entities of the University of Kentucky including the colleges of medicine, pharmacy, dentistry, public health, health sciences and nursing. In addition, the University's clinical enterprise, UK HealthCare, includes UK Chandler Hospital, and Kentucky Children's Hospital where care is provided to the most critically injured and ill patients in the region.

UK Chandler Hospital and Kentucky Children's Hospital have 569 beds and are supported by more than 600 faculty physicians and dentists, 500 resident physicians, and a staff of nearly 4,000 committed to high-quality patient care.

In July 2007, UK HealthCare acquired Samaritan Hospital, now called UK Good Samaritan Hospital. Originally founded in 1888, the hospital has a long tradition of providing exceptional patient care as an acute-care facility and currently has 222 licensed beds.

In May 2011, the first two patient floors of the new 1.2 million square feet patient care pavilion at UK Chandler Hospital opened with 128 intensive care and acute care beds. Also, opening were many common public spaces including the atrium, chapel, surgical waiting room and a 305-seat auditorium, which hosts the Lucille Caudill Little Performing Arts in Healthcare Program. In addition, the new UK Chandler Emergency Department opened in July 2010. A state-of-the-art facility that is more than two times the size of the previous emergency department, it features carefully planned spaces that enable staff to treat and discharge more quickly, or, if the patient needs further treatment, to admit the patient promptly for inpatient services. The Level I trauma center provides the highest level of surgical care to adult and pediatric trauma and time sensitive emergent patients and has a full range of specialists and equipment available 24 hours a day.

Research at UK is a dynamic enterprise encompassing both traditional scholarship and emerging technologies. Since 2002, the University has consistently exceeded \$200 million in grant and contract awards. In FY 2011, UK faculty successfully competed for grants and contracts totaling \$299.1 million, including \$167.3 million in federal funds. The National Science Foundation ranks UK 30th among public universities and 49th among public and private universities in research expenditures. UK has a winning track record of bringing innovations and technologies to the marketplace, successful collaborations with business and industry, creating startup companies based on UK research, and assisting small businesses throughout the Commonwealth. UK consistently ranks 1st in creating startups among UK benchmark institutions. Other recent rankings include 4th in creating startups and 41st in licensing income among all public institutions.

UK's agenda is to accelerate the movement toward academic excellence and to become 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.

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

3.0 PROPOSAL REQUIREMENTS

3.1 Key Event Dates

| | |
|---|------------|
| Release of RFP | 02/10/2012 |
| Pre-Proposal Conference (Optional) | 02/17/2012 |
| Deadline for Written Questions @ 1:00 p.m. on | 02/21/2012 |
| RFP Proposals Due Date | 03/09/2012 |

| | |
|-------------------------|--------------------|
| Offeror Presentations * | week of 04/02/2012 |
| Contract Award* | 04/25/2012 |

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

3.2 Offeror Communication

To insure 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:

Ms. Wendy Holland Brown
Purchasing Division
University of Kentucky
322 Peterson Service Building
Lexington, KY 40506-0005
Phone: (859) 257-5404
Fax: (859) 257-1951

E-mail: wendy.holland@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 02/17/2012 at 9:00 AM in Room 203 of the Student Center. We will offer a small tour of vending machines 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 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 will 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 therefrom 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 email 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 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.

3.9 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 or prices or other errors in calculation, the unit price shall govern. Further, the University reserves the right to make a single award, split awards, make multiple awards or no award, whichever is in the best interest of the University.

3.10 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.

3.11 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.

3.12 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 will 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 will not affect this right.

3.13 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.

3.14 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.

3.15 Disposition of Proposals

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

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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 Criteria 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. Provide a brief historical perspective on your company (years in business, growth via mergers and acquisitions, key industry innovations). Provide an overview of your company's growth over the past five years.
2. List business owners whose ownership exceeds 5% of the company's value.
3. Describe your office and warehouse locations.
4. Describe the qualities that differentiate your company from your competitors.
5. Is your company currently for sale or involved in any transaction to expand or to be become acquired by another business entity? If yes, explain the expected impact, both in organizational and directional terms.
6. Provide certified, audited financial statements including a full set of notes as follows:
 - a. For the past three (3) fiscal years, include at a minimum, income statements, balance sheets, and statements of changes in financial position or cash flows. If three (3) years of financial statements are not available, this information shall be provided to the fullest extent possible for the reasons why, if they are not available.
 - b. For a private held company, when certified audited financial statements are not prepared; a written statement from the company's certified public accountant, stating the financial condition, debt-to-asset ratio for the past three (3) years and any pending actions.

- c. If the Offeror has had a contract terminated for default in the last five (5) years, describe such incident. Submit full details for the default, including the other parties' name, address, and phone number. Present the Offeror's position on the matter. The University will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience. If the Offeror has experienced no such termination for default in the past five years, so indicate.

4.6 Criteria 2 – Services Defined

I. Collections/Payment

1. All revenue from the vending machines will be collected on a regular schedule, at a minimum of once per week. Describe your ability to accomplish this task and provide a copy of your proposed collection schedule.
2. On or before ten (10) calendar days following the last day of each month, the successful offeror shall pay to the University all payments due and owed to the University, accompanied by a detailed statement, in duplicate, of the gross volume and receipts for each machine. Describe your ability to accomplish this task.

II. Refunds

The successful offeror shall provide refund accounts for the refunding of monies to the public where a vending machine is not in good working order. Refunds will be given out at any Dining Service location. A receipt will be completed but the customer. Dining Service will reimburse the refunding unit on a daily basis and the successful offeror will reconcile all refund receipts through Dining Services on or before the last Friday of each month. See Attachment A page 7 for a current list of refund locations.

3. Each machine shall have a label, clearly posted on the machine, with dining phone number and website (859-257-6161; www.uky.edu/DiningServices/vending) including a vending machine number for patrons to call concerning refunds. Describe your ability to accomplish this.
4. Describe your refund process.
5. Describe your ability to complete refunds weekly to the refund locations; including the three off campus locations.

III. Technology

6. Describe your ability to proactively research processes, technological improvements, optimal equipment utilization and efficiency available today and in the near future to provide maximum satisfaction to the customer base.
7. What technology, other than debit card capability, is available in your vending machines?

8. We currently have 8 (eight) credit card vending machines. The University needs to increase these machines by a minimum of 10% upon installation and increase by minimum of 5% annually. These readers should be wireless, PCI compliant and support traditional mag stripe credit cards. They may also support contactless credit cards, but this is not mandatory. Describe how you would accomplish this.
9. We currently have 20 CBORD Direct IP Vending Readers (Plus Account). The University needs to increase these machines by a minimum of 5% upon installation and increase by minimum of 2.5% annually. The locations of these readers will be agreed upon by the Executive Director of Dining Services and the Director of the Dining & Plus Account Office. Describe how you would accomplish this.
10. Describe your ability to provide online inventory control measures that includes delivery dates and products per vending machine for Dining Services review.
11. What other types of vending machines does your firm provide (i.e. merchandising, etc.)?

III. Representation

12. The successful offeror shall have adequate representation to accommodate the University account. The successful offeror shall identify one manager made known to the University, in writing, by name to routinely review and inspect operations on the University of Kentucky campus. The representative will have the responsibility to call on Dining Services on a weekly basis and the Purchasing Division as requested. Describe how you would provide representation to the University.
13. Identify and describe the management team who will be dedicated to the program for the duration of the contract. Submit a management support personnel staffing chart that details positions, titles, phone numbers, and provides a brief job profile and description.
14. Who will be directly responsible for this account? Provide a summary of the individual's training and experience, including the number of years with your company.
15. What is your average response time when a client requests the services of a sales representative? Describe your follow up process with the client to assure that the problem has been resolved.
16. Detail your ongoing training program to keep your staff updated on new products. Do members of your staff regularly attend manufacturer sponsored training session and trade shows? If yes, identify staff that has attended, list conferences, training, and dates.

IV. Quality Assurance

17. Describe your service support philosophy, how the philosophy is carried out, and how you measure success in maintaining this philosophy.
18. Describe your policy and procedure dealing with complaints regarding expired products, empty machines or lack of inventory variety.

19. Describe your quality control process and how you measure it.
20. What customer specific performance measures do you monitor, report and work to continuously improve upon? Explain how your company measures and reacts to customer satisfaction.
21. Provide an explanation of the methods you will use to ensure consistent operation of the equipment on a day-to-day basis.
22. Describe your ability to, within 24 hours of receipt of any notice of product recall, notify the appropriate University personnel of such recall and make arrangements to have recalled product removed from the vending machines and replaced with a similar product.
23. Describe your organization's approach to obtaining consumer feedback to ascertain the level of consumer satisfaction. Be specific, citing successful programs at other comparable institutions.

V. Vended Products

24. All snacks/food will be made available to the University in packages and pursuant to specifications reasonably requested by the University. Your proposal shall identify all products sold or distributed by your company, including all specifications fully describing the portion size, packaging and dispensing capability. Include in this list of products the proposed cost of each item to the customer.
25. Successful offeror must use nationally known brand products and have access to immediate vending machine restocking items. Describe your ability to meet this condition.
26. Machines shall be stocked with adequate merchandise with due consideration to rotation and variety. Describe your ability to meet this condition.
27. Describe your ability to involve Dining Services in the selection process of inventory in vending machines on campus.

VI. Delivery Schedule

28. Provide a delivery plan and schedule for the University of Kentucky that will maintain adequate merchandise in all machines (the Business Officer in Dining Services will work with the successful offeror on setting those levels). Detail the hours your drivers will be working to accomplish all deliveries. See Attachment A pages 1-3 for information on access hours of buildings. Include in this section 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 the slower month's merchandise must remain at the predetermined levels.

VII. Machines

29. What vending machines, from Attachment A pages 1-6, would your firm recommend adding, deleting, upgrading and/or replacing for each area listed?

VIII. Financial Reporting and Control

30. Provide a listing (with examples and frequency of issuance) of reports that will be periodically provided to Dining Services/Purchasing Division, i.e., sales reports, sales history, promotional activities, etc. Include a discussion of obtaining the reports electronically, i.e., company web sites. Demonstrate the organization's systems and methodology for the following, financial and control matters:

- Methods for recording, verifying and reporting cash and debit card sales (sales reconciliation).
- Cash handling procedures, including procedures for holding funds overnight and transportation funds.
- Purchasing, receiving, storage and inventory control systems for products.

IX. Campus Food Events

31. Twice a year Dining Services are involved in events on campus that provide students with information regarding dining services, one in August during Freshman Weekend and one mid-spring semester. Describe your ability to participate in these weekend events.

4.7 Criteria 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.**

4.8 Criteria 4- Evidence of Successful Performance and Implementation Schedule

1. Offeror shall supply names, addresses, and telephone numbers of five (5) corporate or institutional account references for whom similar work has been accomplished and briefly describe the type of service provided. The offeror must grant permission to the University to contact the references.
2. Describe your process to ensure the successful implementation and the on-going success of the University of Kentucky's Vending Service Program.

3. Describe any difficulties that you anticipate in providing a Vending Service Program on the University of Kentucky campus, and how you plan to manage those difficulties. Also describe any assistance that you foresee you will require from the University.
4. Do you have a contingency plan or disaster recovery plan in the event of a disaster? If yes, provide a copy of the plan with your proposal.

4.9 Criteria 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 April 25, 2012 – April 24, 2015 and is renewable for up to 4 additional one-year renewal periods. The total contract period will not exceed 7 years. Annual renewal 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 Additions, Deletions or Contract Changes

The University reserves the right to add, delete, or change equipment 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 a modification is completed to in writing

by the Contractor and the Director of Purchasing. Memoranda of understanding and correspondence shall not be interpreted as a modification to the contract.

6.6 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.

6.7 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.

6.8 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.

6.9 Termination for Convenience

The University of Kentucky, Division of Purchasing, reserves the right to terminate the resulting contract without cause with a thirty (30) 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).

6.10 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 thereunder. 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.

6.11 Funding Out

The University may terminate this contract if funds are not appropriated or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the contractor thirty (30) calendar days written notice of termination under this provision.

6.12 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.

6.13 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.

6.14 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.

6.15 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.

6.16 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.

6.17 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.

6.18 Insurance

The successful Contractor shall procure and maintain, at its expense, the following minimum insurance coverage's 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 coverage's and limits to the University of Kentucky 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.

6.19 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.

6.20 Reciprocal Preference

In accordance with KRS 45A.494, a resident Offeror of the Commonwealth of Kentucky shall be given a preference against a nonresident Offeror. In evaluating proposals, the University will apply a reciprocal preference against an Offeror submitting a proposal from a state that grants residency preference equal to the preference given by the state of the nonresident Offeror. Residency and non residency shall be defined in accordance with KRS 45A.494(2) and 45A.494(3), respectively. Any Offeror claiming Kentucky residency status shall submit with its proposal a notarized affidavit affirming that it meets the criteria as set forth in the above reference statute.

6.21 Reports and Auditing

The University, or its duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence which are directly pertinent to this contract for the purpose of financial audit or program review. Records or other information confidentially disclosed as part of the solicitation process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided by the Kentucky Open Records Act. Additionally, the contractor recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act.

A consolidated statement for all Plus Card sales will be submitted on a monthly basis from Dining Services to the successful offeror. This statement will include:

1. Report period
2. Machine type and location
3. Plus Card usage and income
4. Compensation to Dining Services
5. Compensation to Student Affairs
6. Number of refunds and total dollar amount refunded
7. A year-to-date report of the above information

A consolidated statement for all cash vending sales will be submitted on a monthly basis from the successful offeror to Dining Services. This statement will include:

1. Report period
2. Machine type and location
3. Cash income
4. Output vended by machine
5. Compensation to Dining Services
6. A written explanation for any machines with no sales
7. Number of service calls per machine
8. Number of refunds and total dollar amount refunded
9. A year-to-date report of the above information

6.22 Confidentiality

The University recognizes an Offeror's possible interest in preserving selected information and data included in the proposal; however the University must treat such information and data as required by the Kentucky Open Records Act, KRS 61.870, et seq.

Information areas which normally might be considered proprietary, and therefore confidential, shall be limited to individual personnel data, customer references, formulae, and company financial audits which, if disclosed, would permit an unfair advantage to competitors. If a proposal contains information in these areas and the Offeror declares them to be proprietary in nature and not available for public disclosure, the Offeror shall declare in the Transmittal Letter the inclusion of proprietary information and shall noticeably label as confidential or proprietary each sheet containing such information. Proposals containing information declared by the Offeror to be proprietary or confidential, either whole or in part, outside the areas listed above may be deemed non-responsive and may be rejected.

The University's General Counsel shall review each Offeror's information claimed to be confidentiality and, in consultation with the Offeror if needed, make a final determination as to whether or not the confidential or proprietary nature of the information or data complies with the Kentucky Open Records Act.

6.23 Conflict of Interest

This Request for Proposal and any resulting contract is subject to provisions of the Kentucky Revised Statutes regarding conflict of interest and the University of Kentucky's Ethical Principles and Code of Conduct (<http://www.uky.edu/Legal/ethicscode.htm>). When submitting and signing a proposal, an Offeror is certifying that no actual, apparent or potential conflict of interest exists between the interests of the University and the interests of the Offeror.

A conflict of interest (whether contractual, financial, organizational or otherwise) exists when any individual, contractor, or subcontractor has a direct or indirect interest because of a financial or pecuniary interest, gift, or other activities or relationships with other persons (including business, familial or household relationships) and is thus unable to render or is impeded from rendering impartial assistance or advice, has impaired objectivity in performing the proposed work, or has an unfair competitive advantage.

Questions concerning this section or interpretation of this section should be directed to the University Purchasing Officer identified in this Request for Proposal.

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 Personal Service Contract Policies

Pursuant to the Kentucky Model Procurement Code (Code), the Government Contract Review Committee (GCRC) of the Kentucky General Assembly may establish policies that govern personal service contracts. Under the Code, a personal service contract is an agreement whereby an individual, firm, partnership, or corporation is to perform certain services requiring professional skill or professional judgment for a specified period of time at an agreed upon price.

Professional Service Rate Schedules:

The GCRC has established rate schedules for certain professional services and may impact any contract established under the Code. These rate schedules are located on the GCRC website at <http://www.lrc.ky.gov/statcomm/Contracts/homepage.htm>.

Invoicing of Personal Service Contracts:

The Kentucky Model Procurement Code was recently amended to establish conditions for invoicing for fees for personal service contracts. It states, "No payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice on a form established by the committee." The Government Contract Review Committee has adopted a personal service contract invoice form that must be submitted as a condition of payment. A copy of the form is located on the GCRC website at <http://www.lrc.ky.gov/statcomm/contracts/PSC%20INVOICE%20form.pdf>.

6.26 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.

6.27 University Graphic Standards

The Contractor must adhere to all University of Kentucky 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 Director or designee can approve exceptions to the University standards.

6.28 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.

6.29 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.

6.30 **Safeguarding of Customer Information (Gramm-Leach-Bliley Act)**

To the extent any purchase includes services (including support) such that the provider of the service ("Service Provider") may receive "customer information" through the course of contracted activities with the University, Service Provider agrees to the following additional terms and conditions:

- (a) Throughout the term of this Agreement, Service Provider shall implement and maintain "appropriate safeguards", as that term is used in § 314.4(d) of the FTC Safeguard Rule, 16 C.F.R. § 314, for all "customer information," as that term is defined in 16 C.F.R. § 314.2(b), received by Service Provider pursuant to this Agreement.
- (b) Service Provider shall promptly notify the University, in writing, of each instance of (i) unauthorized access to or use of any customer information that could result in substantial harm or inconvenience to a customer of the University or (ii) unauthorized disclosure, misuse, alteration, destruction or other compromise of any customer information. Within 30 days of the termination or expiration of this Agreement, Service Provider shall destroy all records, electronic or otherwise, in its or its agents' possession that contain such customer information and shall deliver a written certification of the destruction to the University.
- (c) Service provider consents, upon reasonable advance notice, to University's right to conduct an on-site audit of Service Provider's security program.
- (d) Notwithstanding any other provisions of this Agreement, University may terminate this Agreement for cause if Service Provider has allowed a material breach of its security program, if Service Provider has lost or materially altered customer information, or if the University reasonably determines that Service Provider's security program is inadequate.
- (e) Service Provider shall defend, indemnify, and hold harmless University, its agents, officers, board members, and employees from and against any and all claims, damages, losses, and expenses, including reasonable attorney's fees, for any claims arising out of or in any way relating to any allegations of security breaches, violations of the Safeguard Rule caused by Service Provider's negligence, intentional acts or omissions, or any loss or material alteration of customer information.
- (f) Service Provider shall reimburse the University for any damages, including but not limited to any costs required to reconstruct lost or altered information, resulting from any security breach, loss, or alteration of customer information.

Payment Card and Payment Application Data Security. Vendor hereby agrees as follows:

(a) Vendor shall be responsible for the security of cardholder data that it possesses, even temporarily, including any functions relating to storing, processing and transmitting of cardholder data on behalf of the University of Kentucky. In the case of a payment processing system and/or equipment purchased from Vendor that is covered by PA DSS (Payment Application Data Security Standard), Vendor warrants and represents that its software and/or equipment shall not impede the University's PCI DSS (Payment Card Industry Data Security Standard) compliance efforts. In the event that vendor's software and/or equipment does impede such efforts, the University may, in its sole discretion, upon thirty (30) days' notice and opportunity to cure, terminate this Agreement, with any prepaid amounts refunded to University on a pro-rata basis.

(b) Vendor warrants and represents that, as of the effective date of this Agreement, it has complied with all applicable requirements for validation and compliance with the PCI DSS (Payment Card Industry Data Security Standard), as appropriate for its Service Provider level. Vendor agrees to supply the current status of its PCI DSS compliance, and evidence of its most recent validation of compliance, upon execution of this Agreement. Further, Vendor must supply to the University a new status report and evidence of validation of compliance at least annually and upon request by the University. Vendor will immediately notify the University if it learns that it is no longer PCI DSS compliant and will immediately report to the University the steps being taken to remediate the non-compliance status. In no event should Vendor's notification to the University be later than seven (7) calendar days after Vendor learns it is no longer PCI DSS compliant. Failure to maintain PCI DSS compliance shall be a breach of contract and the University may, at its sole discretion, terminate this Agreement if Vendor does not become compliant within thirty (30) days, with any prepaid amounts refunded to University on a pro-rata basis.

(c) Vendor warrants and represents that, as of the effective date of this Agreement; it has complied with all applicable requirements for validation with the PA DSS (Payment Application Data Security Standard) for its payment processing system. Vendor agrees to supply evidence of its most recent validation upon execution of this Agreement. Further, Vendor agrees to maintain PA DSS validation for the installed payment processing system version throughout the term of any maintenance agreement with the University. If the PA DSS validation deadline for the payment system lapses, Vendor acknowledges that it shall be in breach of this Agreement and the University may, at its sole discretion, terminate this Agreement if Vendor does not become compliant within thirty (30) days, with any prepaid amounts refunded to University on a pro-rata basis.

(d) While doing business in University facilities or on its property, if credit card payments will be processed over the internet via the Vendors own system and/or equipment and through its own merchant account, Vendor will provide its own internet connection to process such payments, and will not be permitted to use the University network and equipment.

7.0 Scope of Services

Equipment will be located in areas identified in this RFP (See Attachment A, pages 1-3) or other areas as requested, in writing, by the business officer of Dining Services.

All vending machines shall be equipped with a one dollar (\$1.00) bill validator, to accept one dollar (\$1.00) bills.

Each vending machine will be equipped with a coin box that is opened with a separate key from the key used to open the machine for inspection and repair.

The successful offeror shall be liable for all damages resulting from acts of negligence by its employees or agents, and or injuries to customers caused by the successful offerors equipment.

The machines will be the sole property of the successful offeror, once the purchase of the equipment has been completed, and the successful offeror will hold the University harmless for any and all damages to these machines. Title shall remain the property of the successful offeror and none of the equipment shall become a part of the building.

The successful offeror shall have regular access to their equipment located on the University of Kentucky campus only during the University's regular operating hours for the building where the equipment is located (See Attachment A pages 1-3 for building hours). If the successful offeror requires access at other times, permission to obtain admittance must be obtained from an authorized officer of the University.

To facilitate housekeeping, all vending machines shall be located so that space around and under the machines can be easily cleaned and maintained, and so that insect and rodent harborage is not created. When mounted on legs, a minimum of six (6) inches of unobstructed space shall be provided beneath the unit.

All empty containers are to be picked up after each delivery. Any costs associated with the containers used in delivery/pickup will be assumed by the successful offeror.

All items shall have the "sold by" date printed on the outside of the package. Out-dated merchandise must be picked up by the successful offeror and replaced with fresh product.

All products shall be attractively packaged and clearly labeled. Products that are placed in the food vending machines shall be sound and free from spoilage, filth or other contamination and be safe for human consumption. The food shall be obtained from sources that comply with all laws relating to food and food labeling. The use of food in hermetically sealed containers which was not prepared in a food processing establishment is prohibited.

Vending machine stocking will be maintained as sales dictate to guarantee that out-of-stock conditions do not become a problem. Failure to maintain an adequate stock may result in termination of the contract.

All machines shall be stocked and in operation 24 hours a day.

Service Personnel

The successful offeror shall provide delivery personnel to work the University's account that are bonded and have had successful background checks performed. Delivery personnel shall also possess a valid and proper vehicle operator's license issued by the Commonwealth of Kentucky. This information must be provided to the designated Purchasing Official and will be kept in the successful offerors contract file. The delivery personnel responsible for the UK Healthcare areas shall also have a signed HIPPA agreement on file with Dining Services. Upon award of the contract and at the time of any personnel change the successful offeror shall provide to the University a background check performed on the person to be assigned to service the account, proof of a valid Commonwealth of Kentucky driver's license, and copy of a signed HIPPA agreement for UK Healthcare areas delivery personnel. Successful offeror employees shall be in uniform and wear identification so as to be easily recognizable and will be required to have proper University identification to access campus housing facilities.

The successful offeror shall also agree to cooperate with University policy and guideline requirements when making deliveries to all University medical and research facilities, UKMC Safety and Security requires a photo identification badge be worn when making deliveries to these facilities. The successful offeror will be responsible for any fees or expense related to obtaining proper identification. These items shall be kept up to date and current with the appropriate University Official. UKMC also requires all contracted vendors to be dressed in a professional manner. A company uniform is preferred but, if one is not provided men should wear work pants and work shirt and women should wear appropriate attire which is not provocative or risqué. Casual sportswear such as blue jeans, shorts, sweat suits, t-shirts, or tank tops are not approved apparel. The attire is intended to portray the image of well-groomed and neat appearing individuals. Contracted vendors are expected to take pride in their personal hygiene. In addition, all contracted employees will conduct themselves in a professional manner. Failure to do so may result in termination of the contract.

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

The successful offeror shall have control over and be responsible for all personnel and employment matters involving its employees including, but not limited to, work schedules and compensation. All employees shall be employed by the successful offeror in its own name and its own expense, and the successful offeror shall pay all salaries, wages and employee benefits payable to out or on behalf of its employees. All personnel matters shall be handled in accordance with applicable law and standard procedures established for of the successful offeror's locations.

Independent Contractor

It is the intention of the University of Kentucky that the successful offeror shall be deemed to be an independent contractor, and nothing in this RFP or the proposed contract, including the successful offerors proposal, shall be deemed to create a partnership or joint venture or the

relationship of principal and agent between the successful offeror and the University. Nothing herein shall cause the employees, agents or representatives of either the successful offeror or the University to be deemed or construed to be the employee, agent or representative of the other. Any reference in the successful offeror's proposal to a partnership relationship between the successful offeror and the University shall have no legal effect. The University of Kentucky will not be responsible for any goods purchased by the successful offeror or for any other obligations or liabilities assumed or created by the successful offeror in the performance of the proposed contract.

HIPAA

Contractor will be required to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). University of Kentucky master HIPAA/BAA amendment is attached, and will become an integral part of any agreement. ATTACHMENT C

Vehicles

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

The University of Kentucky Motor Vehicle Parking and Traffic Regulations, as well as a service-parking permit, may be obtained from the Parking and Transportation Department, 721 Press Avenue, Lexington, KY – (859) 257-5757. Vendors wishing to obtain a service permit must submit a letter verifying need for access and make application for an "S" permit on the regular parking permit application form. A fee is required for each permit issued and is valid until March 31 of the fiscal year.

Card Systems

The University has its own declining balance card called PLUS Card on the Diebold/CS Gold system administered by Student Affairs. At this time the PLUS Card can be used in 20 of the current vending machines. The successful bidder will be responsible for the purchase, installation and maintenance of any additional card readers requested by the University. Any new equipment must be Diebold/CS Gold compatible. A 4% commission based on the total sales will be deducted prior to payment being made to Dining Services by Student Affairs to repay Student Affairs for the administration of this system.

Utilities

The University of Kentucky will provide existing 110 volt electrical service to the machines without cost to the successful offeror. However, the University will not be liable for equipment or product damage due to an interruption of service beyond its control. No change or alteration of electric service will be made by the successful offeror without the prior written approval of an authorized University official. In the event that an installation of a machine causes disruption of the electrical service at the premises, the successful offeror will immediately discontinue use of the machine and either request the installation of a dedicated electrical circuit at the successful offeror's expense, or request approval from the Business Officer for Dining Services to relocate the machine. In the event that a University department requests that a machine be installed at a specific location, as approved by the Business Officer for Dining Services, and this location requires a dedicated electrical circuit, then the requesting University department shall pay for the cost of providing this dedicated electrical circuit. Any permitted changes shall be done by the University of Kentucky Physical Plant Division.

For any machines that require water, the successful offeror must use existing University provided water sources. The cost of the water used in conjunction with the operation of the vending machines will be borne by the University. Any permitted changes shall be done by the University of Kentucky Physical Plant Division.

Every effort shall be made by the successful offeror to keep energy and water consumption to a minimum.

Payment Terms

The offeror understands and agrees that the University of Kentucky will grant the successful offeror the opportunity to provide vending services in exchange for monetary compensation to the University. The compensation shall be from all segments of the contract and no additional charges shall be permitted.

The compensation check will be written to Dining Services for the cash collections by the successful offeror. The cash compensation check should be made payable to the University of Kentucky and mailed to the following address within ten (10) days after the close of each month:

University of Kentucky
Dining Services
ATTN: DeWitt King
19 Food Storage Building
Lexington, KY 40506-0071

The offeror understands that proceeds collected from Plus Card usage, minus the 4% commission for administration of the card, will be paid directly to Dining Services by Student Affairs. Dining Services will then mail a check, minus the agreed upon compensation percentage, to the successful offeror within ten (10) calendar days after the close of each month.

Machine Installation/Removal

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

Machine Relocation

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

Right to Inspect Machines

A University representative shall have the right to inspect any machine with a successful offerors representative at any reasonable time upon request by the University. A sample inspection form is attachment B.

Service and Maintenance

Service and maintenance is of prime importance to the University and it will be expected that preventative maintenance be performed to ensure satisfactory operation and appearance of all machines. The successful offeror will be notified when a machine malfunctions and repair must be made within 24 hours of notification of equipment malfunction. If repair of the equipment cannot be made within 48 hours of malfunction notification the successful offeror shall remove that piece of equipment and replace it with a like machine in working condition. The successful offeror must also supply professional signs for easy visibility to user for each piece of equipment. Signs must include operating instructions.

Applicable Standards

902 KAR 45:100, Vending machines; food and beverages relating to KRS 217.808-217.812, 219.990(8)

The Vending of Food and Beverages
U.S. Department of Health, Education and Welfare
Public Health Service
Food & Drug Administration
Office of Regulatory Affairs
5600 Fishers Lane
Rockville, MD 20857

Pricing

The University of Kentucky reserves the right to approve the initial pricing for all products utilized in the vending machines. Any change in the price of the merchandise vended from the prices set out in this specification, or any change in the quality or unit sizes of the products provided, must have the prior written approval of the Business Officer for Dining Services and the University of Kentucky Purchasing Division. Price changes will only be considered at the time of contract renewal. Price change requests should be supported by evidence of increased cost to the successful offeror and shall be submitted to the Purchasing Division, in writing, sixty (60) days prior to contract renewal. The University will not approve price increases that will merely increase the gross profitability of the successful offeror at the expense of our students, faculty, and staff.

Storage

Storage space on the central University of Kentucky campus is not available; however, there is a small storage space available at the Medical Center. It is five (5) feet wide and ten (10) feet long. The successful offeror shall provide any additional storage space required off campus.

Signs

The successful offeror shall not erect or place on or about the premises any sign without the University's prior written approval of the location, material, size, design and content.

Commissions

COMMISSIONS TO BE PAID: The successful offeror shall pay a commission on all items sold at the University of Kentucky. The commission check shall be paid within ten (10) calendar days of the end of the month.

COMMISSIONS SHALL BE EARNED ON RECEIPTS THAT ARE STOLEN OR OTHERWISE MISSING: The successful offeror is expected to properly secure the receipts generated through the vending program. In the event that receipts are stolen or otherwise missing, the successful offeror shall pay a commission on these receipts as if they had been collected by the successful offeror.

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

8.0 Financial Offer Summary

Please indicate the dollar compensation you are offering to pay the University of Kentucky for the opportunity to provide vending services to the University.

Compensation \$_____

Extended Pricing

Will you offer this same pricing to other Colleges and Universities in the Commonwealth of Kentucky?

YES

NO

Will you provide greater discounts if other institutions agree to use the resulting contract from this RFP?

YES

NO

8.1 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.