



RFP # 061LR-26

SNACK AND BEVERAGE VENDING SERVICES
(Revised by Addendum 2)

OVERVIEW

Intent: The City of Irving seeks proposals from qualified vendors for Vending Machine Services for snacks and beverages at reasonable prices for City of Irving Staff and residents for designated locations throughout the City at various city buildings and offices. The vending machines will be provided, operated, maintained and insured by the vendor.

Locations are specified in Exhibit A located in the "Attachments" tab in the online solicitation.

1. **Contract Period:** The Initial contract term will begin from the date of its award and will run for approximately one year, ending on the last day of the month preceding the month of award.
2. **Renewal Options:** This contract is subject to consideration for four renewals, each for a one-year period of time and under the same terms and conditions as awarded. Each renewal option may be exercised by the city with written agreement by contractor.
3. **Revenue Disclaimer:** The city does not guarantee any specific amount of revenue that may be generated from the vending machines placed in City Facilities. Proposers should be aware that revenue will depend on various factors, including, but not limited to user demand and product offerings.

SPECIFICATIONS:

1. **Equipment:** The successful proposer will be expected to furnish state-of-the-art, new or like new machines. All machines are to be the change making type of equipment with electronic coin changers. The machines shall accept coins and/or paper currency and debit and/or credit cards payments.

All machines shall be equipped with a plexiglass front. No glass of any type will be permitted. If special vandal proofing is needed for some machines, it will be at the expense of the proposer. To expedite audit procedures, all vending machines must have built-in electronic cash accountability systems.

2. **Machine Specifications:**

- A. Machines must be equipped with "dollar bill/dollar coin acceptors".
- B. All machines must make change and maintain adequate escrow.
- C. All machines must be equipped with debit or credit card purchases.
- D. All machines must be equipped with internal counters to validate unit sales.

B. On each machine Proposer will place instructions on how to: (1) operate the machine, (2) report malfunctions, (3) comment on product quality, and (4) request refunds.

3. **Minimum Equipment Installation Per Site:** City of Irving expects the Proposer to provide at least one of each machine (snack and beverage) per building, office, or department upon request. All vending locations will be coordinated through the Purchasing Department and in accordance with Attachment A.

4. **Additional Equipment** — The successful Proposer will be expected to provide additional machines, as requested by new locations added to assigned regions, with the understanding that the pricing for these new locations will be the same as the contract.

5. **Phase-In Period:** The awarded Proposer shall be prepared to begin installation of equipment on the first day of the contract period. All equipment requested by City of Irving representatives should be in place and operating within 30 days.

6. **Audits:** The City of Irving shall have the right to audit, either directly or through a third party, Proposer accounting records and physical meter readings. Product replenishment reports must be provided to allow audit of commission earnings by the City. The signature of a City Employee must be on the ticket to verify the products delivered.

SCOPE OF SERVICES:

1. **Vending Machines:** Proposer shall provide vending machine information. Machines must accept at a minimum both cash and credit card payments and should be energy efficient. Machines should be specifically designed and constructed for either indoor or outdoor use, depending on the intended location. The proposer further agrees that it will obtain, pay for and maintain all necessary permits and licenses required by law and will comply with all municipal ordinances, state statutes, and federal laws.

A. The Proposer shall purchase all the merchandise to be vended and furnish their own storage facilities. The proposer shall be responsible for the payment of their bills for vending merchandise, services, and employees without implicating the City of Irving in any manner, either directly or by inference.

2. **Installation of Machines:** The successful Proposer will be required to furnish all equipment necessary and install the machines at City of Irving locations designated by the City of Irving at no expense to City of Irving. There are currently approximately 65 vending machines in City of Irving facilities. This number is subject to change pending addition or subtraction of facilities or the needs of the City of Irving.

A. The vending machines and other items placed on the premises shall remain the property of the Proposer. If removal would cause damage to the City Facilities, proposer shall reimburse the City of any such damages.

B. The successful Proposer will be responsible for all damages to property caused by the equipment or vending personnel. The successful Proposer will be responsible for placing and removal costs.

- C. The vending machines shall be installed in such a way as to present an attractive, flush-front, matched, and uniform configuration. The machines shall be secured to provide for safe, secure operation, and to prevent tipping or shifting. All delivery and installation costs shall be the responsibility of the successful proposer.
- D. The successful Proposer must agree to add additional vending machines of any type listed and/or types not listed, should the City of Irving deem it necessary or desirable during the life of the proposed agreement.
- E. The City of Irving will give the successful bidder adequate notice of such new locations or other type machines in order that additional machines might be secured. The City of Irving makes no guarantee regarding the number of additional locations, which may be authorized under the proposed agreement.
- F. The City of Irving will supply utility expenses and locations for installation of the machines, at no cost to the successful Proposer.
- G. The Proposer will pay all fees and expenses necessary for the vending machine installation.
- H. The Proposer agrees to change machine locations upon consultation with the building administrator and agreement between the Proposer and administrator as to the advisability of such changes.
- I. The City of Irving reserves the right to discontinue locations in the best interest of the City. The City of Irving will be the sole judge in such cases.
- J. The awarded proposer will have liability insurance on all machines installed on the City of Irving's property.

3. Vending Machine Type and Products:

- A. **Product Availability:** Each proposer shall furnish with his proposal a list of all the products with prices being offered.
- B. **Product Quality:** All items stocked in the vending machines must be fresh items and in their original packaging. No "out of date" items will be accepted. The successful Proposer will fully reimburse all locations for all items found to be out of date or of unsatisfactory quality.

Products cannot be listed on the United States Department of Agriculture, "current Recall and Alerts (<https://www.fsis.usda.gov/recalls>). Recalled products must be pulled from machines within two (2) business days of recall.

The City requests the following types of vending machines and products:

- i. **Snacks-** Snacks should consist of a large variety of pre-packaged products. The snacks should be nationally recognized brands and include a variety of gluten-free, healthy snacks as well as candies, rolled candies, gummies, chocolates, non-chocolate, regular and sugar substitute products, chips, crackers, cookies, gum popcorn, etc. The awarded contractor shall provide a clear warning message for any product that contains peanuts on each snack machine.

ii. **Drinks – cans and/or bottles**

- Sodas: Brands shall include a variety of Coca-Cola and Pepsi products, including but not limited to Coke, Diet Coke, Coke Zero, Dr. Pepper, Diet Dr. Pepper and Sprite, etc.
- Juices/Water/Sports/Energy Drinks: Products shall be nationally recognized brands and include a variety of juices, water and energy drinks, including tropicana, minute maid, Snapple, Desani Water, Monster Energy & Monster Zero Energy and Redbull.

C. **Healthy Snack and Drink Options:** The City of Irving is committed to providing healthy snack and drink options for employees. Healthy snack options for machines accessed by employees should include but are not limited to; nuts, granola, protein or energy bars, dried fruit, healthier versions of chips and popcorn. Healthy drink options should include but not limited to; water, including flavored or sparkling water without added sugar, unsweetened juices, zero sugar drinks, coffee and tea.

- Vending options that meet the healthy vending guidelines are optimally merchandised at eye level and/or grouped together (the option is flexible depending on type of vending machine and typically requires collaboration with vending provider prior to transition of service)
- The city reserves the right to request additional products that meet guidelines created by the City during the term of this contract.
- Proposer shall provide nutrition fact/nutrition labels to the Contract Administrator prior to stocking new products.

i. **Snack Products:**

At least twenty-five percent (25%) of all snack foods offered per location accessed by employees shall meet the following criteria:

- Snack foods, nut and seed snacks must be no more than 1.5 ounces
- Must have no more than 230 milligrams of sodium per package.
- No snack food should contain trans-fat and all snack
- Contain 200 or fewer calories per package
- Have no more than 35% calories from fat
- Have no more than 10% calories from saturated fat, except for snacks containing 100% nuts or seeds with no added fats or sugars
- Contain 10 grams or fewer of sugar per package
- Have no more than 35% calories from sugar, except for fruit vegetables, and yogurt, which may contain up to 30 grams per 8 ounces.

ii. **Beverages**

At least twenty-five percent (25%) of all beverages offered per location accessed by employees shall meet the following criteria:

- At least 25% must be water without caloric sweeteners, milk, 100% fruit juice or vegetable juice, or juice combined with water.
- Milk may be only 2%, 1%, nonfat, or a milk alternative
- Vegetable juice may contain no more than 230 milligrams of sodium per container.

4. Maintenance and Security:

Minimum Service Requirements - Awarded Proposer will be required to service each machine at least once per week. Refunds must be reconciled not less than twice a month.

- A. The successful bidder will be required to furnish all labor, machines, parts, etc., to maintain vending machines in optimal operating condition at their expense.
- B. Cleaning of the machines includes internal and external surfaces, including the top of the machines and under the machines. This may require occasional moving machines and cleaning of accumulated dust, wax, grease, and food or drink products. City staff will not be responsible for any services to the machines.
- C. A phone number must be provided on the machine for maintenance issues.
- D. The successful proposer shall provide prompt response and service to equipment that is not operational, vending problems related to lost money, equipment failure, or product complaints.
- E. Services calls must be responded to within seventy-two (72) business hours of notification from the City. If repairs cannot be made on-site and the City deems the downtime excessive, the proposer may be required to provide a loaner unit until repairs are completed.
- F. The City may also require the successful proposer to provide a permanent replacement unit for a broken or malfunctioning vending machine. Lost, stolen, or damaged equipment shall be replaced or repaired (as applicable) at no cost to the city.
- G. Proposer shall operate and maintain its machines in a clean and working manner with each day of service.
- H. All vending machines will be kept free of all bugs, insects and contaminates by the successful Proposer. The Proposer will fully reimburse all locations for any items found to be contaminated in any way.
- I. The machines will be kept clean, repaired, and neat in appearance at all times. The Proposer will maintain a program of regular preventative maintenance and replacement of worn, damaged, or malfunctioning machines. Should a problem occur, the successful Proposer will make a reasonable attempt to fix the machine within one working day of notification of problem. City of Irving may require that Proposer replace machines that cannot be returned to service within five working days of the service call. The replacement machines will be the same year, type and model or better than the machines replaced.
- J. The proposer will be responsible for the security of machines. No keys will be kept at City facilities. Vending machines will be placed in the designated locations at the sole risk of the vendor and the City will in no way be liable of destruction or theft of the property of the vendor.
- K. Vending machines will be placed in the designated locations at the sole risk of the Proposer and the City of Irving will in no way be liable for destruction or theft of the property of the Proposer through vandalism or any other cause.

5. Scheduled Service and Deliveries:

- A. Service schedule shall be one (1) or two (2) times per week, depending on the need of the location. This frequency can be adjusted based on the need of the vending machine at the approval of the city.
- B. Proposer will have the right to enter upon City property at all reasonable times when City facilities are normally open for the purpose of servicing and inspecting machines and for removal of machines upon the termination of the agreement.
- C. Proposers' personnel shall, at all times, be dressed in clean, neat uniforms and will observe all regulation in effect on premises. The successful proposer agrees that during the term of this agreement he and his employees will wear distinctive uniforms that identify the Proposer and the employees by name. Proposer's employees are expected to conduct themselves in a courteous, safe, and responsible manner. This includes refraining from any behavior or actions while on City of Irving facilities that may be deemed offensive or unsafe by City of Irving and complying with all City of Irving policies and procedures. The City of Irving retains the right, at its sole discretion, to refuse access to any employee of the Proposer.
- D. The successful Proposer will provide all service for the machines, including, but not limited to, filling, repairing, cleaning, removal of money, counting of money and returning the commission check to the City's Accounting Office.

6. Pricing, Commission and Refunds:

- A. Prices shall be plainly posted on each vending machine.
- B. This Request for Proposal (RFP) will include all facilities and offices in the City of Irving **therefore, the same pricing and commission structure must apply to all City of Irving locations.** All locations will be required to be on this new contract program.
 - i. If any location is added under this contract, they must have the same pricing.
- C. Proposer shall provide a written procedure notice for patrons of vending services to receive refunds for faulting working machines and expired or spoiled products. The final policy and procedure for such shall be subject to agreement and approval by the City.
- D. Refunds are to be the responsibility of the awarded vendor. The City will not be responsible for issuing refunds to the end users. Each machine must be tagged advising this service. Refunds may not be deducted from the monthly commission check.
- E. The prices quoted shall be City of Irving's pricing for the product or service. There shall be no additional charges, fees, handling or other incidental cost associated in the acquisition of the product/services not disclosed herein. Proposer understands that the City of Irving makes no guarantee as to the volume, amount or type of product/services that may be purchased under any agreement.

7. Records:

- A. Proposer shall at all times, maintain a record of all merchandise, collections, sales and inventories, necessary in connection with proper operation of the machines installed under this contract.
- B. Records shall be provided to the City on a monthly basis broken down by location and machine.
- C. The City reserves the right to require an inventory of merchandise upon the vendor entering and leaving City property or at any time the City feels the need for such an inventory.
- D. All vending machines must have a meter. Monthly meter reading must be sent to Accounts Payable with each individual building and Location listed to reflect each machines ID number, starting, and ending meter readings on each machine, and the dates the meters were read.
- E. The report is to show gross sales to date, gross sales for that month, total commissions to date, commissions for that month, check number issued, and date check issued.
- F. A monthly statement is due within 30 days of closing each accounting period. Statements must have machine and product specific information as well as grouped by facility or building as needed by City of Irving. The report must specify total sales, and the City of Irving's percent of commission for each machine (if applicable).
- G. Commission on vending machine sales, commissions must be received no later than thirty days after the close of any month. Deductions from commission checks are not authorized under any circumstances, for any reason.
 - i. **Note:** If vending commission is late (over 30 days), the City of Irving will assess a late fee of 10% of the commission amount past due.

8. Utilities and WI-FI: The City may provide electricity, lighting, heating, and/or air conditioning of designated premises, but without liability on the City's part arising from temporary interruption thereof on account of breakdown, power failure, or like causes. Successful proposers agree that in the use of each utility, they will exercise the same degree of care and economy as would be exercised if they were paying for such utilities.

- A. The City will not provide Wi-Fi for the vending machines to assist with card reader or monitoring services. Proposer will need to provide their own cellular services for all vending machine sales and transactions.

9. Cancellation Clause: City of Irving reserves the right to cancel the award and terminate Proposer services without cause upon thirty (30) days written notice and with cause upon five (5) days written notice. Reasons for cancellation with cause shall include but shall not be limited to:

- A. Failure to provide minimum weekly vending machine service.
- B. Failure of service technician to reimburse Office/Department lost monies due to defective operation of vending machine on two consecutive visits.
- C. Failure to repair or replace a defective vending machine within ten (10) business days from date of original report of vending machine breakdown.
- D. Failure to report installation, transfer, removal for repair, or termination of individual vending machine(s) to the Purchasing Agent within thirty days of such activity.
- E. Failure to furnish commission reports or commission checks within thirty days following the close of service for any month.

10. Escalation/De-escalation: This bid is being awarded with escalation/de-escalation pricing. Pricing shall remain firm for the initial term of the contract. The request for price increase may be submitted on a quarterly basis with a 30-day written notice before price increase becomes effective.

The requested increase must be a factor beyond the control of the bidder and can be no more than the percentage of increases passed through to vendor by the manufacturer. Notice of increase will be subject to approval by Purchasing Division before acceptance. Proof of any increase must be documented by the manufacturer's letter and forwarded to the Purchasing Agent at 835 W. Irving Blvd., Irving, Texas 75060. Updated pricing catalogs may be submitted during the term of the contract as a manufacturer may have price increases quarterly, yearly, etc. Notice of increase will be subject to approval by the Purchasing Division and the Fleet Services Management team before acceptance.

Any contract awarded with an escalation clause is subject to de-escalation in the event of cost reduction and price reduction may be effective immediately upon notification by vendor. City of Irving will not allow any decrease to the rate of commission throughout the term of the contract period. The rate of commission will remain firm throughout the contract period.

CONTENTS OF PROPOSAL

Proposals shall be concise, complete, and the following will be required for the proposal evaluation process. The City will require one (1) electronic copy of the proposal from all interested proposers. The electronic copy shall be uploaded to the city's e-procurement website as a Response Attachment where indicated. All copies shall include all required forms in addition to the proposal.

At a minimum, successful proposals should contain the following information. ~~A Statement of Qualifications document has been provided to assist you in preparing your response.~~

All responses to this request for proposals must meet the following conditions to be considered:

1. Proposal shall include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the proposer's representative.

2. **Methodology of Service:**

- A. Proposer shall address each of the vendor's responsibilities and requirements as stated in this RFP.
- B. Proposer shall describe in detail, how the service will be provided in ongoing operations to include a refill and exchange products with little plan, healthy food and beverage product for employee accessed vending machine plan,
- C. Proposer shall also provide a written procedure notice for patrons of vending services to receive refunds for faulty working machines and expired or spoiled products.

3. Proposal shall include scope of work addressing proposed equipment and staffing.

4. Proposal shall include proposed vending machine, provide a list of all food and drink items with an accompanying proposed sales price list and product brands.

- i. Product-specify snack items including brand and size. (Ex: Lay's Potato chips, 1.3 oz.).**
- ii. Proposer may use the Submittal Form A – Pricing form or an equivalent form.

5. References - Include a list of **three references in which your company** performed the same or similar services. Current valid daytime telephone numbers, addresses and specific contact person's name, length of service contract and how many machines are being serviced under the contract must be included in proposal submittals. References must be similar with respect to size, scope, and nature as that being requested in this RFP. The City may utilize other available information in gaining a comprehensive overview of the proposer's qualifications and record of performance.

Note: Failure of proposer to provide references with current contact persons and valid phone numbers may cause the response to be considered to be non-responsive, and grounds for rejection of response by the City.

6. Proposers should clearly indicate revenue share being offered with this contract.

AWARD AND EVALUATION OF PROPOSALS:

The City of Irving reserves the right to accept or reject all or any part of any proposal, waive minor proposal formalities/technicalities and award the proposal deemed to be most advantageous to the City of Irving.

The successful bidder(s)/proposer(s) will be notified in writing (manifested by an award letter or properly executed purchase order) after review and acceptance by the City of Irving.

EVALUATION FACTORS:

Proposals will be evaluated by the following factors and criteria. **Please ensure that you provide a response to each criterion and if the answer is not subsequent to the question, please note where in your response the criterion is addressed.**

	EVALUATION CRITERIA	POINTS
1	Proposed Vending Pricing and Commission	40
2	Methodology of service	30
3	References and Experience	10
4	The quality of the vendor's goods or services offered	10
5	Installation Plan	10