



378-2021 ADDENDUM 2

PROVISION OF FOOD AND BEVERAGE VENDING MACHINE SERVICES FOR RECREATION CENTRES

URGENT

PLEASE FORWARD THIS DOCUMENT TO WHOEVER IS IN POSSESSION OF THE TENDER

ISSUED: November 18, 2021
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THIS ADDENDUM SHALL BE INCORPORATED INTO THE TENDER AND SHALL FORM A PART OF THE CONTRACT DOCUMENTS

Template Version: A20190115

Please note the following and attached changes, corrections, additions, deletions, information and/or instructions in connection with the Tender, and be governed accordingly. Failure to acknowledge receipt of this Addendum in Paragraph 10 of Form A: Bid may render your Bid non-responsive.

PART A – BID SUBMISSION

Replace: 378-2021 Bid Submission Form B:Prices with 378-2021 Addendum 2 – Form B: Payment to the City. The following is a summary of changes incorporated in the replacement Bid Submission:

- Title of document has been revised to read Form B: Payment to the City (was incorrectly titled as Form B:Prices).
- Historic Annual Gross Sales have been revised to more accurately indicate sales history.

PART B – BIDDING PROCEDURES

Revise B2.1 to read: The Submission Deadline is 4:00 p.m. Winnipeg time, **November 26, 2021**.

Add B4.3 to read: **Current vending machines in City of Winnipeg facilities is listed in Appendix B: Vending Asset Type. This list is provided for the Convenience of the bidder only, and is subject to change.**

Add B9.1(b): **Form B: Payment to the City.**

Revise B18.1(c) to read: Payment to the City as follows:

- (i) Proposed percentage **of sales**, offered for Vending Machine(s) Services **40 points**; and
- (ii) Proposed Minimum Guaranteed Annual Payment **60 points**.

Add B11.2.1: **The Historical Annual Gross Sales listed on Form B: Payment to the City excludes GST.**

PART D – SUPPLEMENTAL CONDITIONS

Revise D2.1 to read: The Work to be done under the Contract shall consist of the provision of food and beverage vending machine services for the City of Winnipeg for the period from date of award until **August 31, 2023**, with the option of four (4) mutually agreed upon one (1) year extensions.

Add D18.4 to read: **Payment to the City shall be based on the actual monthly sales at each location**

as follows:

- **Actual sales minus the applicable GST rate. For example, vending machine sales of \$100 shall be calculated as \$100 less GST (currently at a rate of 5%). In this example, payment due to the City will be based on \$100 divided by 1.05 = \$95.24. The amount of \$95.24 shall be used to determine the commission that shall be paid to the City.**

Add D18.5 to read: **On August 31st of each year of the Contract, where the previous twelve (12) months payments to the City for each location does not meet the Minimum Guaranteed Annual Payment (MGAP), the Contractor shall pay to the City, the shortfall in revenue.**

Add D18.5.1 to read: **For the period of Date of Award to August 31, 2022 the MGAP will be prorated based on the actual number of full months that the Contract is in place.**

PART E – SPECIFICATIONS

Replace E1.2 with: The following are applicable to the Work:

<u>Specification No.</u>	<u>Specification Title</u>
Appendix A	Product Listing & Prices
Appendix B	Vending Asset Type

APPENDICES

Add: Appendix B Vending Asset Type

QUESTIONS AND ANSWERS

Q1: The contract is stated to end September 30th 2022, with the amount of equipment to be installed into all sites it is not feasible to install machines for only 9 months. Can this contract be extended until September 30th 2023 with the possibility of 4 one-year extensions?

A1: See above.

Q2: The fact there is no right to terminate for convenience or default would exclude (XX) from bidding. Is this negotiable?

A2: This is a fixed term contract. As such, an allowance for the contractor to terminate for convenience or default is non-negotiable.

Q3: There is a broad one-way indemnity in the City's favor, again this is problematic - Does the City of Winnipeg provide dual indemnity?

A3: The City does not allow dual indemnity.

Q4: Without limitation for liability (XX) again would not be able to bid. (XX) holds (\$YY) of liability insurance, is limiting liability a possibility?

A4: See Section D9 of the tender document for information on insurance and liability clauses. It should be noted that the City does not offer limits of liability in favor of contractors in publicly tendered contracts.

Q5: Can we negotiate or include a no material change clause? (XX) will be excluded from bidding if this cannot be addressed.

A5: See Section C7 of the General Conditions for Supply of Services (Revision 2020-01-31) for information regarding negotiations during the term of the contract. Part C of the tender document outlines where the GC document may be obtained.

It should also be noted that D2.1.1 and D2.1.2 of the tender document contain information on when negotiations may occur when exercising extension options.

Q6: Are the sales totals pre-tax? Taxes in?

A6: See above.

Q7: Having a complete list of all current pieces of equipment is crucial for any vendor to provide an accurate bid. How many drink machines? Coffee machines? Frozen food? Snack?

A7: Appendix B: Vending Asset Type has been added. See above.

Q8: The points are weighted heavily on guaranteed revenue (75% I believe) which is challenging for the vendor; especially coming out of a pandemic...we would much prefer to give a smaller annual/guaranteed amount and then share the risk/reward on a higher % based on actual sales.

A8: The City has taken this into consideration and has adjusted the evaluation point structure. See above.

It should also be noted that a Force Majeure clause is included in the General Conditions for Supply of Services (Revision 2020-01-31). There is also a provision in Section D11 of the tender document for Covid 19 related delays.