

ADDENDUM NUMBER ONE
TO
REQUEST FOR PROPOSALS
CORPORATE SPONSORSHIP
FOR
PORTABLE COMMISSARY SALES CARTS
&
NON-ALCOHOLIC BEVERAGE POURING RIGHTS LICENSE

Issued: Friday, June 4, 2010

**REQUEST FOR PROPOSALS: CORPORATE SPONSORSHIP
FOR PORTABLE COMMISSARY SALES CARTS & NON-
ALCOHOLIC BEVERAGE POURING RIGHTS LICENSE**

ACKNOWLEDGEMENT OF RECEIPT

BY PROPOSER

OF

ADDENDUM NUMBER ONE

NAME: _____

TITLE: _____

AUTHORIZED SIGNATURE: _____

DATE: _____

(Kindly fill out the requested information above and submit with your Proposal.)

I. **PLEASE NOTE THAT PROPOSERS MUST SUBMIT THEIR PROPOSALS BASED ON THE OFFERING AND TERMS STATED IN THIS RFP DOCUMENT IN ORDER TO BE DEEMED RESPONSIVE. PROPOSERS WISHING TO PROPOSE ADDITIONAL SERVICES, PRODUCTS OR TERMS SHOULD ALSO INCLUDE A SEPARATE PROPOSAL.**

II. **THE DEADLINE FOR THIS RFP HAS BEEN EXTENDED TO FROM JUNE 18TH TO JUNE 25TH.**

III. CORRECTION: Please note that on Page 10 of the RFP, the following paragraph which was included as part of Opportunity I Cart Sponsorship is not related to Opportunity I but *is* instead related to Opportunity II **EXCLUSIVE POURING AND SAMPLING RIGHTS LICENSE FOR NON-ALCOHOLIC BEVERAGES:**

This opportunity is also open to beverages that are not currently sold by the carts. Proposers of such beverages may request to have their product(s) sold by the Carts as part of this opportunity. Competitive unit pricing, subject to negotiation, must be provided with proposed submission.

IV. **BELOW ARE RESPONSES TO QUESTIONS AND INQUIRIES THAT WARRANT CONSIDERATION BY MTA AT THIS TIME:**

1. Pouring rights

Q. Will the winning proposer have the rights to both Sparkling and Still beverages or could they be awarded individually?

A. *Pouring Rights are being offered for four beverage categories: Sparkling , Still, Dairy and “Ready-to-Drink” cold Coffee Beverages. A proposer may be awarded one or more categories based on its proposal.*

Q. RFP mentions “water”, does it have to be spring or can it be purified water?

A. *There is no requirement for the type of bottled water sold. Bottled water can be spring, purified, mineral or municipal.*

Q. Will sub category awards be considered (i.e. water, juices, tea, etc.)? For example can someone propose only the water or tea and not the entire category?

A. *Currently, MTA is not looking to make sub-category awards. All proposals are welcome. Categories will be awarded according to the highest stated annual compensation as well as the breadth of products a proposer can provide.*

Q: What will happen to existing contracts between the Railroads and suppliers for non-alcoholic beverages?

A: *It has not been determined at this time but the exclusive pouring rights license awarded from this RFP may supersede any existing contracts.*

Q. Are proposers permitted to propose on products currently being sold on the Carts?

A. *Yes, proposers may propose whatever they like. As stated in the RFP, proposers must offer advantageous pricing for products to be sold from the Carts for the entire term of this agreement. This may be done, for example, by providing the Railroads with “most favored customer” status in which the Railroads will not be charged more, per unit, for the non-alcoholic beverage than any other of the respective Sponsor’s customers during the term of the license. The proposed annual sponsorship fee, as well as the product pricing, will be evaluated in awarding this opportunity. Further, acceptance of such products is subject to the each Railroad’s determination of the quality and taste of the product relative to like products in the same category.*

2. Commissary Carts

Q. How many Commissary Carts will be made available for sponsorship?

A. *A total of forty (40) Commissary Carts are being offered: twenty (20) for LIRR and twenty (20) for MNR. Long Island Rail Road, as stated in the RFP, requires new Carts to replace its existing inventory. Metro-North is open to “re-decorating” its 20 Carts, however, the Carts are structurally and functionally satisfactory the way they are.*

Q. Will sales on the Carts-- alcohol, beer and soda?

A. *Yes, currently the Carts sell both alcoholic and non-alcoholic beverages as well as snacks and will continue to do so.*

Q. Will the branding of the Carts be shared by one or more entity?

A. *Only one entity or company will be awarded the right to brand the Carts for each Railroad, respectively- one for LIRR and one for MNR. The Carts will also include the Railroads’ names and logos.*

Q. The RFP states that there are no branding rights for the four (4) stationary Carts located at the lower level of Grand Central Terminal. Does this hold true if a supplemental or an additional Cart(s) is sited at that location? Also, are supplemental carts an option in the locations outlined in the RFP?

A. *At the lower level of Grand Central Terminal, the opportunities to brand supplemental cart(s), if approved, depends on the location of those Carts. As for other locations, yes, a proposer may include a request for a supplemental cart as part of its proposal submission. Such a request shall be separate from its base proposal responding to the RFP offer.*

Q. Employees of the Railroads manage the Carts currently - are there plans to change this arrangement to an outside concessionaire?

A. *No, the Railroads will continue to manage the Carts.*

Q. Who is currently supplying beverages to the Carts at stations?

A. *Each Railroad has contracts with various distributors for the provision of beverages and products.*

Q. What are the renewal terms for the licenses offered in the RFP?

A. *The license(s) offered in this RFP provide for two (2) one-year renewal options. The renewal options are at the discretion of each Railroad.*

3. Commissary Cart Supplies

Q. Is the branding of the Commissary Carts Supplies required or optional?

A. *While either providing the Railroads with the Commissary Carts Supplies or providing the Railroads with the compensation prior to their purchase of the supplies is required by the successful proposer for the pouring rights license, the successful proposer is not required to brand those items. The branding of the Commissary Cart Supplies is seen as an extra benefit of the exclusive pouring rights license as it is an additional asset for a proposer to brand.*

Q: Since there are four (4) categories for the Non-Alcoholic beverage license(s), how will the be determined which proposer will be granted the right to supply and brand the Commissary Carts Supplies?

A: *The proposer who submits the overall highest monetary bid for pouring rights will be awarded the right to supply and brand the Commissary Cart Supplies.*

Q. If a supplemental cart / beverage cooler is proposed, is the proposer expected to supply the equipment?

A. *Yes.*

Q. Must cups be 12 oz and 20oz sizes? Are cold and hot cups required?

A. *Yes, cups of both sizes are required as stated in the RFP. No, hot cups are not required as the Carts only sell cold beverages.*

4. Sampling

Q. Sampling/promotional events opportunity: Are there four separate events for each Railroad (MNR & LIRR) each year?

A. *Yes, it is four sampling events per Railroad per category per year. If two different companies are awarded pouring rights—one for sparkling beverages and one for still beverages, the company who submitted the highest monetary offer will get priority for dates. If the companies share the same parent company then only four (4) total sampling/promotional events will be granted. However, the Railroads agree to allow successful proposers the right to request additional sampling dates.*

- Q. What limits, if any, exist for sampling opportunities?
A. *All sampling events must receive prior approval from the Railroads. Passenger safety will always be a concern.*

5. Additional Branding

- Q. Are there any branding opportunities for Metro-North café cars?
None at this time. Interior advertising in Metro-North café cars is currently offered via an existing license with CBS Outdoor. Proposers wishing to brand the exterior may do so under a separate proposal. Please note that wrapping of cars is not allowed and any exterior branding may be subject to the existing license with CBS Outdoor.

6. Package Details

- Q. For Non-Alcoholic beverages, are there any restrictions on package size? 12oz cans? 20oz plastic bottles?
A. *The preference is for the can and bottle sizes to remain at 12 and 20 ounces, respectively. Proposers wishing to introduce a new size may do so under a separate proposal.*

- Q. Any restrictions on glass bottles?
A. *Yes, the Carts utilized by Metro-North permit the sale of beverages in glass containers, however, LIRR's Cart's do not sell any beverages with glass bottles and do not plan on doing so in the future.*

7. Delivery Points

- Q. What is the delivery or drop point for supplies?
A. *For Metro-North deliveries including New Haven Line cars, deliveries are made to Grand Central Terminal. For Long Island Rail Road, deliveries are made to Jamaica Station and then distributed by the Rail Road accordingly.*

8. Cart Beverage Sales

- Q. Non-alcohol Beverages for MNR & LIRR, the total sales in 2009 were 321,895—is that units of cans & bottles sold or is it cases sold?
A. *Units.*

- Q. Are the non-alcohol beverage sales for MNR & LIRR sales for 12oz cans or 20oz bottle?
A. *Both—soft drinks are 12-oz. cans and juices and waters are primarily 20 oz. bottles.*

- Q. What is the mix of non-alcoholic beverages sold on the carts? What is volume for Carbonated Soft Drinks? Teas? Water? Etc
A. *The volume sales in 2009 are listed as Exhibit B of the RFP.*

9. Security Deposit

- Q. Will a company check suffice for the \$5,000 deposit or must it be a certified check?
- A. *Certified checks are required.*

10. Bottle Deposit Law

- Q. Is MTA exempt from the New York State deposit law?
- A: *Yes.*