

CSP900312 DMH035

Questions and Answers submitted into Inquiry Process by 3/23/11
Food Service Management and Patient Food Service for ODMH Hospitals and Cambridge DODD Facility

Inquiry Q&A #2; Questions 15 through 22

Q15. Page 46 of the RFP states that the contractor is required to keep a separate project account for obligations incurred in the performance of this contract; and disbursements must be supported by contracts, invoices, vouchers and other data.

Q15a. Please confirm that this requirement only applies to expenditures for the cost plus items (supplements, floor stock, and special events) and not for any expenditures made in connection with fixed price meal/snacks. Because the contractor remains solely responsible for costs incurred for the fixed price per meal/snack portion of this contract, the contractor therefore bears the risk of any price fluctuations that occur during the term and, as such, any information obtained from a project account would be outside of the scope of this arrangement as it relates to the fixed price portion.

A15a. **Yes, this is correct**

Q15b. Please define what a separate project account is.

A15b. **Equipment purchases**

Q16. Pages 99 through 105 require the contractor to provide certain equipment for each facility. Page 27 requires the contractor to amortize that equipment over a three year period thus coinciding with the expiration of the contract term.

Q16a. In the event that the contract is terminated by either party prior to the complete amortization of the equipment, what happens to the equipment?

A16a. **If this were to happen, the State would determine if they wish to keep the equipment and if so, the State would make good on the balance of the amortization schedule.**

Q16b. Would a Contractor be required to remove the equipment or, if the State desires to keep the equipment, will it compensate the Contractor for the unamortized portion of the equipment that remains as of the date of termination?

A16b. **Answered in a. above**

Q16c. Does the Department plan to require the selected vendor to purchase equipment as specifically stated on Pg. 3 and Pg. 30 of the solicitation?

A16c. **Yes**

Q16d. If the contracted vendor is required to purchase the above-mentioned equipment, would the State be open to alternative manufacturers of like products that would generate a cost savings?

A16d. **No, the specific equipment is identical to the equipment currently being used at the Hospitals; it must be compatible.**

Q16e. Should the equipment amortization be included in the price per meal or listed as a separate line item?

A16e. **It should be a separate line item on the monthly invoice equal to 1/36th of the total equipment purchase cost.**

Q17. Please clarify the Department's policy with respect to reimbursable expenses and costs for this solicitation.

Q17a. Pg. 33 states that no expenses are reimbursable, but Pg. 27 and Pgs 99-105 indicate that the contractor will be reimbursed for its costs with respect to the provision of supplements, floor stock, and special events. Please confirm that the statement on page 33 does not apply to the provision of supplements, floor stock, and special events. Also, please confirm that, with respect to supplements, floor stock and special events, the state will reimburse the contractor for their actual cost plus the markup stated in the Cost Summary form attached to their proposal. The Contractor will be reimbursed for the costs of items stated in the RFP regarding supplements, floor stock and special events at an agreed upon mark-up. No other costs will be reimbursed; i.e. travel expenses, delivery, or other costs not named, etc.

A17. **Contractor provides monthly billing at cost plus mark-up for floor stock, supplements and special events.**

Q18. Page 27 of the RFP states "Costs for supplements and food purchased by the Contractor and subject to the mark-up must display a cost savings as a result of volume buying power." We interpret this as requiring the contractor to pass along any trade discounts, rebates and allowances earned by the contractor in connection with the cost plus items (supplements, floor stock and special events) purchased for this contract. Please confirm that this is correct.

A18. **Yes, this is correct**

Q19. Page 27 of the RFP discusses invoicing of the cost plus items in a manner in which shows the cost savings. Please confirm that it will be acceptable for the contractor to identify and credit any such required cost savings to the Agency as a line item on the contractor's invoice to the Agency.

A19. **Yes, this is acceptable**

Q20. How many "holiday meals" does the Department currently recognize?

A20. **Five (5) meals throughout the year.**

Q20a. Under the existing contractual agreement, is the Department charged a different price for "holiday meals?"

A20a. **No, the same price.**

Q21. What is the annual spend per location on special events? What is the current mark-up on costs for these events?

A21. **TVBH: \$50,000.00 plus contracted markup; ABH \$4,000; CaDC \$89,119. Currently 10% markup.**

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Q22. Page 43 of the RFP states, "In no event will payments under this Contract exceed the "not-to-exceed" amount per RFP without the prior, written approval of the State,..."

Q22a. What is the not-to-exceed amount per the RFP?

A22a. **The correct amount to be paid will be evidenced by the purchase orders issued by DMH and by the approval of invoices issued that match the Contract and are accompanied by copies of invoices submitted to the Contractor. The estimated Contract total will be determined by the per-meal price and the estimated number of meals.**