

RFP-23-004 Coffee Service

Question and Answer

Question 1

Item 20 Financial:

20.3: The Supplier will offer NWACC a percentage of sales in lieu of facilities lease agreement. If the Supplier runs additional catering business out of NWACC facilities, a fixed overhead cost will be agreed upon.

Question:

Will the percentage of sales be on a sliding scale over both the two (2) year term and five (5) year term?

Answer: We will execute a License Agreement with a monthly fee of \$500 for 12 months, in lieu of a percentage. After the first year, in fairness to both parties, we will re-negotiate the fixed fee. This monthly fee will be for coffee and sweets only.

Question 2

Item 1.2 Type of Contract:

B. The term of the agreement shall be for two (2) years, beginning on or before November 2022 and ending December 2024 subject to annual renewals for an additional five (5) years, for a total contract period of seven (7) years, unless termination procedures are followed as described herein.

Question:

It takes approximately five (5) to seven (7) years for a coffee shop to become profitable, depending on the initial investment at the time of start up. What happens after the five (5) year period, as stated above? Is there an option to renew the contract for an additional five (5) year period, if the "Vendor" is in good standing with "NWACC" and both parties are in agreement?

Answer: At the end of the seven (7) years, if the vendor is in good standing with the college and students, faculty, and staff are pleased with the product, service etc. we can discuss renewing the contract.