

contracting for food services

**Handbook AS-707H
January 1991**

US POSTAL SERVICE
Washington, DC 20260

Contracting for Food Services
Handbook AS-707H

Transmittal Letter 1
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1. Explanation

This handbook is for field personnel involved in the procurement process for food services. It includes guidelines and procedures for writing requirements, specifications and statements of work; soliciting proposals; evaluating offers; and awarding and administering contracts. It also includes many references to the Document Generator System (DGS) used to facilitate the procurement of food services, and sample documents produced via the DGS for this type of procurement.

2. Distribution

- a. Initial. This handbook is distributed to procurement organizations nationwide, and the human resources functions in regions and divisions.
- b. Additional Copies. Additional copies are available from the materiel distribution centers (MDCs). Use Form 7380, *MDC Requisition*, to order copies.

3. Comments

If you have questions, comments or suggestions concerning this handbook, please direct them to:

PROCUREMENT POLICIES AND PROCEDURES DIVISION
PROCUREMENT AND SUPPLY DEPARTMENT
USPS HEADQUARTERS
475 L'ENFANT PLAZA SW RM 2P110
WASHINGTON DC 20260-6201

4. Rescissions

This handbook replaces Handbook AS-702, *Contracting for Food Services*.

5. Effective Date

This handbook is effective upon receipt.



John J. Davin
Assistant Postmaster General
Procurement and Supply Department



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Chapter 1

Policy

110 Purpose

This handbook provides guidance on contracting for food services. Its contents apply to all contract food service operations within the Postal Service, including cafeterias, central lunchrooms, and vending satellite facilities.

120 Applicability in Relation to *PM* and *PH*.

These procedures are issued in accordance with Publication 41, *Procurement Manual* (PM) 8.6.2. Unless otherwise stated in this handbook, the policies and procedures set forth in the PM and Handbook AS-707, *Procurement Handbook* (PH) apply to the procurement of food services. When the contract provisions of this handbook vary from those contained in Volume 2 of the PM, Handbook AS-707, or sample documents created by the Document Generator System (DGS), those established in this handbook prevail.

130 Authority

131 Request

Planning and defining food service requirements is the joint responsibility of the installation head and the Division Field Director, Human Resources. Because minimal time and effort is to be expended by Postal Service personnel in managing food service facilities, food service operations are contracted out to professional in-plant food management firms and concessionaires whenever the size of the facility permits. The Assistant Postmaster General (APMG), Employee Relations, administers the food service program. Each installation head controls all food service

facilities within the installation, whether operated by a contractor or by the Postal Service.

132 Award

Food service contracts may be awarded by contracting officers who possess procurement authority by virtue of their certificate of appointment or through an appropriate delegation.

133 Administration

Contract administration encompasses appraisal and monitoring of food services provided, receipt of checks and commissions from contract concessionaires, record keeping, contract modification, termination, and dispute resolution. The contracting officer is assisted in these tasks by the appointed contracting officer's representative (COR).

140 Special Considerations

141 Randolph-Sheppard Act

The Postal Service must comply with the Randolph-Sheppard Act, as amended. Provisions of the Act affect Postal Service procedures for:

- a. Contracting for food services;
- b. Providing space for vending facilities to be operated by the blind; and
- c. Sharing vending machine income with the State licensing agency for the blind.

142 Lobby Vending Stands

Under the provisions of the Randolph-Sheppard Act, the Postal Service has traditionally made vending space available to the blind in public areas of its buildings. These vending facilities are

known as lobby stands. The sale of "wet" items, such as sandwiches, liquids, and frozen foods, is now prohibited to preclude loitering and possible injury to patrons. Blind persons who were selling "wet" items under permit before the date of this prohibition may continue to sell those items for as long as they operate their lobby stands, unless they and the Postal Service agree otherwise.

143 Cafeterias

All cafeterias operated by blind licensees must operate under a contract negotiated on either a competitive or noncompetitive basis with the Postal Service.

144 Contract Term

All food services contracts are awarded for an initial term of three years, with options to renew the agreement for two additional 1-year terms, for a total term of up to 5 years.

150 Definitions

1.5.1 Cafeteria

151.1 General. A cafeteria is a food-dispensing facility capable of providing a broad variety of prepared food and beverages (including hot meals) primarily through the use of a line where customers serve themselves from displayed selections. A cafeteria may be fully automatic or have limited waiter or waitress services. Table or booth seating facilities are always provided.

151.2 Vending Cafeteria. A cafeteria where customers serve themselves from vending machines. To be classified as a vending cafeteria, it must offer, as a minimum, two prepared hot or cold full meals consisting of a meat and vegetable. It may be either attended or unattended.

151.3 Manual Cafeteria. A cafeteria where food is prepared on-site and obtained by employees through a serving line similar to a commercial type cafeteria.

151.4 Van Nuys Concept. A cafeteria where food is prepared off-site and delivered to the postal installation, where it is obtained by employees through a serving line similar to a commercial type cafeteria.

151.5 Contract Type. Cafeteria contracts are negotiated procurements, and are operated on a break-even basis (no commission to the Postal Service). However, a 1.5 percent operating fee on net sales is applicable (see 225 for more information on operating fees).

152 Vending (Noncafeteria)

152.1 Satellite Vending.

a. Satellite vending consists of one or more snack or beverage vending machines, with no attendant on duty, which is separated from the principal food service area (if such exists). This type of operation can have no more than one of the following: chairs and tables are available at the location for benefit of employees; or the vending machines also vend sandwiches. If both of these situations exist, it cannot be classified as a satellite vending machine operation.

b. This type of contract normally produces a commission for the Postal Service based on net sales. In addition, a 1.5 percent operating fee, based on net sales, always applies.

152.2 Central Lunchroom.

a. This type of lunchroom consists of a group of vending machines, plus the following: tables and chairs are provided for employees, and sandwiches are vended. It may also provide no more than one prepared hot or cold full meal consisting of an entree of one meat and vegetable. If operation consists of two or more prepared hot or cold full meals, it must be classified as a vending cafeteria. It can be either attended or unattended. Central lunchrooms may be operated by state agencies for the blind on a permit basis, in which case the 1.5 percent operating fee does not apply.

b. If a central lunchroom is not operated on a permit basis, the requirement will be a negotiated procurement and is operated on a break-even basis (no commission to the Postal Service). However, the 1.5 percent operating fee on net sales does apply.

153 License

A license is a written instrument issued by the State licensing agency to a blind person authorizing that person to operate a vending facility on Federal or other property.

154 Permit

A permit is the official approval given to a State licensing agency by a department, agency, or instrumentality in control of the maintenance, operation, and protection of Federal property, or by a person in control of other property, whereby the State licensing agency is authorized to establish a vending facility.

155 Randolph-Sheppard Act (the Act)

The Randolph-Sheppard Act, as amended, provides blind persons with paying jobs and the opportunity to be self-supporting. The Act requires that all necessary steps be taken to ensure that, whenever feasible in light of space and potential patronage, one or more vending facilities for operation by blind licensees be located on all Postal Service and other Federal property. The U.S. Department of Education issues the implementing regulations for the Act, codified as 34 CFR 395. The State licensing agency licenses blind vendors, and provides support, supervision, and authorization for them to operate vending facilities under the Act.

156 Vending Facility

A vending facility consists of automatic vending machines, snack bars, cart services, shelters, counters, or other equipment that may be operated by blind licensees. Vending facilities sell newspapers, periodicals, confections, tobacco products, foods, beverages, and other products or services dispensed either automatically or manually. These items may be prepared on or off the premises, following applicable sanitation and health laws and regulations. These facilities may sell chances for any lottery authorized by State law and conducted by an agency of a State within

that State. These facilities are frequently known as Lobby Vending Stands. However, vending machine areas within a building may qualify as satisfactory vending sites (those that are able to support a blind vendor). If operation by permit is declined, these sites then become satellite vending sites.

157 Vending Machine

A vending machine is a coin- or currency-operated machine that dispenses articles or services. Machines operated by the Postal Service for the sale of postage stamps or other Postal Service products and services, machines providing services of a recreational nature, and telephones are not considered vending machines for the purpose of assigning vending machine income under the provisions of this handbook.

160 Management Policies

161 Cafeterias and Central Lunchrooms

Cafeterias and central lunchrooms must be operated on a break-even basis—that is, neither the Postal Service nor any employee social or recreational committee may make a profit. The vendor must redistribute any excess in allowable profit or administrative expense to customers through reduced prices.

162 Remote Vending Machines

Snack vending machines remote from central lunchrooms and cafeterias (Satellite Areas) and operated by a commercial vendor must be operated on a profit basis. Vending machine commission revenue that is paid to the Postal Service must be shared first with the State licensing agency for the blind. The balance may go to an employee social and recreation committee. Snack vending machines operated by the State agency under a permit do not generate a commission for the Postal Service. (See Handbook EL-602, *Food Service Operations*, for detailed guidance on income-sharing.)



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Chapter 2

Submitting Requests for Contracts

210 Preparing the Food Services Requirements Package

211 Format and Review

211.1 Responsibilities. The installation head supervises the development of the food service requirements package. The Field Director, Human Resources, or, in the case of manual cafeterias for Headquarters and Headquarters-related units, the General Manager, Headquarters Personnel Division, reviews the package for conformance to the provisions of the Randolph-Sheppard Act, as amended, and transmits the approved requirement by memorandum to the contracting officer.

211.2 Requirements Package Contents. The requirements package must contain the following information and documents. If it does not, the contracting officer will return the package to the Field Director, Human Resources, or, in the case of manual cafeterias for Headquarters or Headquarters-related units, to the General Manager, Headquarters Personnel Division, and request clarification. The package must contain:

a. The statement of work (SOW), which consists of the required elements in Exhibit A, Part I or Part II, as appropriate;

b. The evaluation criteria and weight to be given to each evaluation factor, when appropriate; and

c. A transmittal memorandum:

(1) The transmittal memorandum must contain the following stipulations and information. If it does not, the contracting officer will return the package to the Field Director, Human Resources, or, in the case of manual cafeterias for Headquarters or Headquarters-related units, to the General Manager, Headquarters Personnel Division, and request clarification. The following must be included:

(a) Approval of the requirement by the Field Director, Human Resources, or, in the case of manual cafeterias for Headquarters or Headquarters-related units, by the General Manager, Headquarters Personnel Division;

(b) If the requirement is for cafeteria service, a statement whether the cafeteria is manual, fully automated, or a combination, and whether it has satellite vending facilities; and

(c) The name of the person in the State agency for the blind who participated in the reviews required by the Randolph-Sheppard Act.

(2) If the requirements package includes a vending facility (other than a vended supplement to a manual cafeteria), the transmittal memorandum must also state:

(a) That the State agency for the blind has notified the installation head in writing that it will not operate the vending facility on a permit basis;

(b) Whether the requirement is for a new or for a substantially altered or renovated building; and

(c) That separate accounting is required for cafeteria receipts and satellite vending receipts.

212 Randolph-Sheppard Act Considerations

The installation head must ensure that one or more vending facilities for operation by blind licensees is located in existing Postal Service buildings. The Act contains special rules on providing a satisfactory site for a vending facility to be operated by the blind in all new buildings, and in existing buildings undergoing substantial alterations or renovations. Handbook EL-602

provides detailed guidance on how to notify the State licensing agency to apply for a permit to operate a vending facility. If the State agency declines to operate the facility, the installation head should follow the procedures in chapter 3.

213 Statement of Work (SOW)

An SOW contains the description of services desired. It becomes the basis for the specifications of the proposed contract. Specifications must describe the technical requirements for supplies or services and include the criteria for acceptance. The SOW must be as complete and accurate as possible, stating fully the installation's needs. The installation head develops the SOW (see Exhibit A, Requirements Data for Statement of Work).

220 SOW for Cafeteria Requirements Package

221 Days and Hours of Service

Manual cafeterias and manual cafeteria supplements are generally open for the mid-tour meal of each tour (or during the tours when service is desired). These hours should be specified in the SOW. Mid-tour meal hours are usually: Tour 1—3:00 a.m. to 5:30 a.m.; Tour 2—11:30 a.m. to 1:30 p.m.; and Tour 3—5:30 p.m. to 10:00 p.m. Days of the week on which service is desired should be specified, as should the holidays on which the Cafeteria will be closed.

222 Market Population

The SOW should state the potential patronage for each meal to enable offerors to properly size equipment and personnel requirements and to accurately calculate prices based upon economies of scale. Population estimates may be obtained by market research (see section 230).

223 Facility Plan

A drawing showing the layout of the facility, preferably to scale, is an essential element of the

SOW. It should show entrances, storage areas, locker rooms, dining room seating capacity, cashiers' stands, utility connections and distribution panels, proximity to service entrances, and built-in items such as tray shelves and bussing windows and areas. The Postal Service provides all standard utilities except telephones. Utilities to be furnished should be described in detail.

224 Maintenance and Custodial Services

224.1 Building Structure. The Postal Service maintains and repairs the building structure in and adjacent to concession areas, subject to the provisions of individual contracts, including:

a. Utility lines and existing air conditioning and ventilation systems to the connection point with concession equipment or to the outlet if the concession equipment is not directly connected (for example, ventilation ducting); and

b. Relamping and normal maintenance (including painting) of lighting fixtures, space heating systems, floors and coverings, shades and venetian blinds, walls, and ceilings.

224.2 Cleaning and Sanitation

a. Sanitation Regulations. Contractors and concessionaires must meet all applicable State and local health and sanitation codes and regulations.

b. Facilities Operated Under a Permit. In these facilities, the commercial contractor maintains the immediate area of vending machines in a neat, orderly, and sanitary condition, and provides janitorial services for cafeterias, including the waxing of dining room floors and cleaning and disposal services. The contractor reimburses the Postal Service for cleaning and waxing, cleaning grease traps, and exterminating rodents and vermin in vending areas. Detailed requirements must be specified in individual contracts and should specify current costs.

c. Facilities Operated Under a Contract. At these facilities, the Postal Service waxes the floors, cleans the venetian blinds and windows, and provides other related building services. The Postal Service also cleans vending areas that remain open after working hours. The vending operator cleans areas closed after working hours.

224.3 Telephones. The contractor or concessionaire must pay the total cost for telephones used in food service operations.

225 Operating Fee

Blind or sighted contractors or concessionaires operating manual or vending food service facilities under a contract must pay an operating fee of 1.5 percent of net sales (gross sales less sales tax and sales returns and allowances) to the Postal Service. This fee is in lieu of reimbursement for equipment depreciation and normal building services. No operating fee may be charged to blind concessionaires operating under a valid State licensing agency permit.

226 Equipment

226.1 Postal Service-Furnished Equipment

a. Fixed and Permanent Equipment. The Postal Service furnishes, installs, and connects all original food service equipment that is fixed or substantially permanent, except in vending facilities other than cafeterias operated by the blind. However, the Postal Service will install security screens on the windows of vending stands operated by the blind. The Postal Service replaces equipment, makes major repairs, and replaces major components on its equipment. Repair or replacement of major components is defined in the contract terms. The contractor is responsible for minor repairs, component replacement, and the repair of Postal Service-furnished equipment that is damaged or destroyed because of the contractor's or contractors' employees negligence.

b. Lunchroom Equipment. Using local purchasing authority, installation heads may use Postal Service funds to purchase refrigerators and micro-wave ovens for employee lunchrooms with the written approval of the Division General Manager or the Management Sectional Center Manager.

226.2 State Agency-Furnished Equipment.

The State agency for the blind furnishes, repairs, and replaces all equipment for vending facilities operated under the Randolph-Sheppard Act. The equipment must be designed for sanitary operation and must minimize congestion and

facilitate general maintenance. It must also be adapted to available utility services.

226.3 Contractor-Furnished Equipment. The contractor furnishes, repairs, and replaces all necessary equipment not furnished by the Postal Service, subject to Postal Service approval. This includes all non-fixed equipment and utensils. The contractor will reimburse the Postal Service for any repairs the Postal Service may make to the contractor's equipment. The contractor provides vending and expendable equipment, such as cashiers' chairs, chinaware and dishes, glassware, scales, trays, coin and bill changers, and vending machines. Numbers of each type of vending machine must be stated in automated cafeteria SOWs. Standard contract provisions require cafeteria contractors to provide good quality, suitable equipment. Equipment requirements may specify that equipment provided "must be all new," or "...new or like new." (Use reasonable judgment when applying this standard as it can unnecessarily escalate costs.) The "new" requirement can be applied selectively, for instance, to "serving line and dining room equipment" or to "vending machines" and "coin and bill changers" only. A detailed listing of equipment that the Postal Service will furnish must be included in the SOW.

227 Food Requirements

227.1 Items. The SOW must specify the physical goods to be provided for resale to employees, such as hot coffee, ice cream, and the like. Requirements may include specific types of products, menu choices, or items like potato chips, pretzels, and doughnuts. They may specify quantities per package (for example, "doughnuts—package of two").

227.2 Nutrition. The solicitation may specify that dietician services be made available, or contain nutritional guidance such as "Regular menus served in this food service facility should contain foods that will meet or exceed recommended daily dietary allowances of the National Research Council."

227.3 Special Diet Restrictions. Include dietary restrictions and special desires of employees in the solicitation. Depending upon the work force and locality, ethnic foods, foods meeting religious restrictions or served on specific days, and special diet foods (low calorie, diabetic, etc.) might appropriately be specified in the solicitation. Include representative items in each category.

227.4 Food Preparation. Specify whether food may be prepared off premises and brought in (Van Nuys concept) or whether it must be prepared in a kitchen on-site. The solicitation should also state that review of standard recipes is allowable during quality assurance checks by the COR as a part of contract administration.

227.5 Menu Considerations

227.51 The SOW may contain a request for special menus such as "South of the Border" or "Italian Holiday."

227.52 A 1985 food service industry study showed that while about 50 percent of the cafeteria meals and snacks served in similar industries were for the mid-day (tour) meal, another 30 percent were served during break periods. The SOW should consider the full range of customer requirements in menu planning and not just those of peak periods.

227.53 Studies also show that as many as 20 percent of Americans now skip lunch much of the time. These people are primarily in the 25-49 age group. For this group, snacking during break periods is commonplace. Similarly, in today's weight- and health-conscious society, offering low-calorie meals and stating calorie content per serving of each item offered provides additional patron service.

227.6 Truth-in-Menu Standards. Although the Postal Service is not bound by them, as a matter of policy, it follows the laws in some localities which govern menu descriptions and presentation. These "truth-in-menu" or "accuracy-in-menu" laws seek to prevent misrepresentations and to avoid customer confusion. Many food service industry representatives try to have menu descriptions accurately communicate to the customer information about the food being offered. The National Restaurant Association, a food-service

industry trade association, has published a standard that is specified in the standard contract provisions.

228 Special Services

a. Uniforms. A standard contract provision requires contractor employees to "wear proper uniforms." However, it does not define "uniforms" beyond requiring employees to wear nameplates. Additional requirements for standard uniforms should be included in the SOW. If standard uniforms are required in the solicitation, its provisions should also address uniform purchase, repair, replacement, and cleaning costs. It is usual for such costs to be allowable; however, ownership of the uniform then becomes an issue. When uniforms are owned by the contractor, a plan for depreciation must be outlined.

b. Other. List other specific ideas or innovations that may be addressed in the offerors' proposals. Remember, however, that special services involve additional costs. If the SOW seems to require a special service, all offerors must include it in their proposals in order to have them considered acceptable.

230 Market Research

231 Expected Customers

The peak load, or number of employees using the food service facilities at any one time, determines the size of the facility required. Generally, fewer than one-third of the employees use the facility at any one time. Experience provides some guidelines for existing facilities because daily customer counts can be used to calculate peak loads. However, the quality of the existing service may affect the numbers obtained. The average age of potential customers also affects eating habits and preferences. The size of a proposed operation should be based on the expected patronage three to five years after opening. Consideration should also be given to whether walk-in or non-postal customers will be allowed to use the food service facilities. Some locations allow this depending upon the specific location within the facility.

232 Local Conditions

If good, economical, commercial sources are available and readily accessible to employees on all tours at meal breaks, then food service requirements may be limited to snack vending in work areas. Climate and seasonal variations will also play a part in determining customer preferences. Warm weather usually causes lower-than-average patronage, but menu planning, special offerings, and amenities such as air conditioning may stem the decline. Conversely, cold weather causes a higher-than-normal demand for carbohydrate foods. Substantial menus are essential during these times.

233 Employee Questionnaires

Questionnaires can provide essential information on customer satisfaction and the level of acceptance of existing food services. They can also provide information on projected usage of vending machines to assist in selection. A word of caution: studies indicate that people will state that they prefer certain foods, but they do not always select them, and they frequently select foods that they say they like the least.

234 Employee Cafeteria Committee

The employee cafeteria committee can provide insight into the preferences of the work force. Again, the caution on "preferences" versus "selections" is applicable. The committee should be appointed by the installation head and consist of both management and craft employees who frequent the cafeteria. The installation head may choose to chair the committee or may appoint a member as chairperson.

240 SOW for Vending Requirements (Noncafeteria)

241 Population Estimates

The SOW must contain the building population, the hours the building is occupied, and the peak periods of population.

242 Estimated Total Annual Sales

The SOW should contain an estimate of total annual sales by beverage and food product type. Where requirements call for more than one site, annual sales should also be indicated by site.

243 Machine Requirements

243.1 General. The SOW must specify machine requirements, as discussed below, and may specify that machines provided must be new or in "like new" condition.

243.2 Types of Machines. Vending machines may dispense a variety of hot and cold beverages, prepackaged foods, and small items. Machines may be equipped with coin and bill changers. Separate coin and bill changers are also available. Local vending machine sources can offer information on types and capacities of machines currently available. Additional source information can be obtained from Thomas' Register, a copy of which should be available at the Division or any large public library. The following are the sorts of machines to consider:

a. Hot Beverage Machines. Hot beverage machines dispense coffee, hot tea, soup, and cocoa. Customers usually have a wide selection of additional options for coffee and tea: extra-strong, cream, sugar, cream and sugar, extra cream, and extra sugar.

b. Cold Beverage Machines. Cold beverage machines dispense either canned drinks or cups filled with drinks. Current trends favor the use of machines that dispense canned products. Depending on the size and manufacturer, these machines can hold several cases of cans at a time in many varieties or flavors. They can handle variable sales volumes with less spoilage and cleaning than cup machines. In places where cans are not considered desirable, cup machines may be appropriate. The profit margin is greater on cup machines, and these machines have a large capacity. They are also able to dispense iced tea and other noncarbonated beverages as well as standard carbonated beverages, and have built-in icemakers and dispensers. However, sanitation requirements are more stringent for cup machines than for can machines. The SOW should

specify whether the machines for cold beverages are to be can or cup dispensing.

c. Cigarette Machines. These machines operate either mechanically or electronically. The SOW should specify the type of machine desired, if necessary.

d. Candy Machines. Candy machines dispense candy bars, gum, small hard candy rolls, and mints. Also available are machines that can dispense candy, bakery products, and potato chips from the same machine using a rotating helix device.

243.3 Number of Machines. Consider the following in determining the number of machines needed:

a. Break-even Point. The break-even point is significant because vending machines can be expensive and the cost of capital must be recovered in a relatively short period.

b. Service Group Size. The number of employees that can be serviced adequately by one machine is largely determined by the size and type of the machine. Sizing machine requirements to the market can be done easily once specific literature is obtained detailing the types of machines available.

c. Competition. "Street competition" affects machine placement density. Employees may buy their cigarettes and candies from sources other than the machines if there are sources close to lunch spots. Use of a manual cafeteria or a lunchroom where beverages are served during coffee breaks will cut down on the use of beverage machines as well.

d. Climate and Weather. The mix of hot and cold beverage machines should be different depending on whether the installation is in a locality that is warm or cool year round or in one where the seasons are sharply differentiated.

e. Filling Frequency. The frequency of filling machines varies from two to six days. There must be sufficient machines of each type so that there are minimum "stock outs," especially on the non-daytime tours. If the filling frequency is more often than once every two days, additional machines will be needed; if greater than six, the number should be reduced.

243.4 Machine Location. Satellite vending machines should be placed within a one to two minute walk from the work areas of most

employees. It may not be possible to place the machines on the same floor as the employees. This should not deter most employees, but planners should consider the needs of those employees who might be physically unable to use stairways.

243.5 Layout. A drawing showing the layout of the area where the machines are to be located, preferably to scale, is an essential element of the SOW. It should show entrances, storage areas, locker rooms, location of bill and coin changers, utility connections and distribution panels, and proximity to service entrances. The Postal Service provides all standard utilities, except telephones. Utilities that will be furnished must be described in detail. Sufficient space must be created to permit access for loading and servicing the machines.

243.6 Additional Machines. Additional peripheral machines may be needed. For instance, an infrared or a microwave oven may be installed to allow employees to warm certain vended foods. The addition of an oven does not, of itself, classify the food service requirement as a "cafeteria."

243.7 Representative Listings of Items for Each Type of Machine. The SOW must specify the physical goods to be provided for resale to employees, such as hot coffee, ice cream, potato chips, pretzels, doughnuts, cold beverages (cans and cups), pastry, and cigarettes. Quantities per package may be specified also (for example, "doughnuts—package of two"). Item requirements may specify that "name brands are required." Portion sizes desired and the estimated monthly "vends" (quantities) must also be included.

244 Classification of Vending Machine Facilities

Vending machine facilities are classified as follows:

a. Noncommission Bearing. Vending machines in central lunchrooms and cafeterias are noncommission bearing—that is, the Postal Service does not request nor can it accept any commission other than the 1.5 percent of net

sales operating fee to offset overhead. The vendor distributes what would normally have been considered commission in the form of reduced prices on selected food items—unless they are vending facilities operated by the State licensing agency under permit (which are by definition noncommission bearing), in which case no profit or commission is distributed to the Postal Service.

b. Commission Bearing. Vendor supplied vending machines in satellite vending areas are commission bearing—that is, the Postal Service expects commissions based upon a percentage of the selling price to be paid to it by the vendor in addition to the operating fee.

250 Establishing Evaluation Criteria (Cafeteria)

251 Basic Rating Categories

The five basic rating categories that compose the evaluation criteria for Postal Service cafeteria proposals are:

a. Sanitation Practices. Local and State health and sanitation rules and regulations govern Postal Service food service facilities; these vary widely. An aggressive sanitation program includes the use of serving tongs by servers and by patrons for self-serve items, and servers' use of food handlers' gloves, aprons and hair nets, and the "clean as you go" philosophy in food preparation areas. Cleaning implements, such as mops, brooms, and open trash receptacles should not be placed in the areas where food is prepared and served. Other essential aspects of this category are sanitation training, physical exams for food handlers, and food inspection procedures. The goal is to prevent the occurrence of food-borne illness that could endanger the health, well-being, and efficiency of customers.

b. Personnel Staffing and Management

1. Staffing Practices and Standards. Personnel staffing practices are crucial to ensuring that employees receive quality food service. Staffing policies should specify availability of personnel (accounting for vacations), sick leave, training, and job rotation. General staffing guidelines may be expressed in the average number of meals produced by labor hour. For example, restau-

rants can expect to produce about two meals per labor hour on average; cafeterias, about six. More accurate labor staffing standards can be obtained by evaluating historical experience at other facilities operated by the offeror, and at the existing food service facility at the installation.

2. Interviews and Right of Final Approval. Although it is not standard practice, the contracting officer may elect to interview the offeror's proposed on-site or local area management candidates before selecting a contractor. The amount of supervision and the background and qualifications of the on-site manager are important indicators of the ability to respond to customer requirements and maintain a quality operation. The proposal should acknowledge the Postal Service's reserved right to have final approval of such personnel at the start of the contract and throughout the contract period, if the reservation was made in the solicitation.

c. Portion Sizes, Menu Prices, and Management Controls

1. Portion Sizes. Standard portion sizes should be used. Offerors must furnish complete price and portion books for evaluation. A customary means of evaluating whether portion sizes are adequate or excessive is to observe food excess and waste during a visit to an existing food service facility operated by the prospective offeror or during on-site visits. This provides a means to judge both portion sizes and product acceptability.

2. Menu Prices. Most food service contractors deal with a narrow range of suppliers and attempt to guarantee product availability and price stability over the contract period. Delivery of fresh products on dates required is preferable to long-term product stocking. Frequent delivery ensures that the food offered to employees is the freshest, most nourishing and appealing possible. Proposed prices are judged acceptable and competitive by comparison with the solicitation and with competitive proposals. When there is a variety of menu offerings and several offerors propose identical meal prices, it may be necessary to translate the offered price per portion to a unit price. This is easily done by calculating the weight or volume of an individual portion and dividing the price by that amount.

3. Management Controls. In order to operate an efficient and attractive food service facility, the food service operator must formalize certain

procedures to ensure that they are consistently applied over the life of the contract. Central to these procedures are systems to ensure that portion sizes remain constant, that food costs are monitored, that inventory is properly managed, and that prices and portion sizes meet the desires and needs of the customers. These controls should be set forth in writing and evaluated as part of the proposal.

d. Menu Variety and Quality

1. *Menu Variety.* This category includes the number and descriptions of items under each food category, such as entrees, vegetables, salads, desserts, beverages, soups, bread and rolls, breakfast items, sandwiches, grill items, snacks, fresh fruit, and so on. Institutional feeding is often by "cycle menu," that is, menus that are repeated in time cycles. Proposed menus that offer menu items over a several-week cycle and change with the seasons are desirable. Weekly "special" offerings are another innovative approach that increase customer interest and satisfaction.

2. *Menu Quality.* While the nutritional content of the proposed menu is important, acceptability to customers and item presentation must also be weighted. Proposals should offer items that appeal to a wide range of tastes. The marketing research results from the requirements planning phase should be used to establish standards by which to determine whether customers' preferences will be adequately met.

e. Budget (Pro Forma), Accounting System, and Controls

1. The projected annual budget, its adequacy, and the accounting system and controls to track performance against that budget are the final evaluation criteria. The offeror is responsible for fiscal operations, but the Postal Service must ensure that practices conform to generally accepted accounting practices. The accounting system and controls should be adequate to allow the Postal Service to judge the financial health of the contractor and verify by audit that the rules and stipulations of the contract are met.

2. Commercial food service operations usually estimate and budget for costs on the basis of a percentage of sales. An average food cost allocation can run between 45 and 59 percent of sales, with labor accounting for an additional 15 to 25 percent. A cost allocation exceeding 70 percent of sales for these two items may place the operator in a difficult position. If the offeror has not

expressed ratios in its budget as a percentage of sales, the panel should do this in the evaluation process. This is important to put the proposed operation into perspective and to judge the profit ratio.

3. It is Postal Service policy that any excess profits must be reflected in lower food costs to customers. Contractors are limited to 15 percent of sales for net profit and general and administrative expense. This limit does not include the standard 1.5 percent operating fee paid to the Postal Service in lieu of space rental and utilities. A review of the offeror's budget should confirm that the allowance for profit does not exceed 15 percent.

252 Additional Criteria

As a rule, the Postal Service furnishes, decorates, and maintains dining facilities, with the supplier providing vending and expendable equipment. However, a prospective contractor may be required to provide the layout, design, and decor of a cafeteria or vending facility, and, depending on the specific requirement, these may be added as evaluation criteria. In this case, the color, texture, pattern, balance, and scale and proportion of the proposed facility should all be evaluated.

260 Evaluation Criteria (Central Lunchroom)

Central Lunchroom contracts are noncommission bearing. The contracting officer evaluates the offer by comparing item sizes and prices. Award is made to the responsible offeror whose prices are most advantageous to postal employees. Provision OA-515 is used to evaluate Central Lunchroom offers.

270 Evaluation Criteria (Satellite Vending)

Satellite Vending contracts are commission bearing. The purpose of providing wholesome food at a reasonable cost is the first consideration; the percent of commission is secondary. Provision OA-605 is used to evaluate Satellite Vending offers.

280 Contracting Officer's Representative (COR) Recommendation

281 Recommendation, Appointment and Function

Requesting offices are responsible for recommending an individual to serve as COR. Contracting officers are responsible for the official appointment of the COR. CORs play a major role in administering contracts for food services (see Exhibit B, Parts 8 and 9).

282 Qualifications and Availability

The individual recommended to serve as COR should be well qualified to perform COR duties; for example, a person who frequents the cafeteria/vending facilities. As a general rule, the COR should not be a member of the Social and Recreation Committee. As the performance of COR duties may take substantial time from other duties, the recommending official must determine that sufficient time can be made available for the recommended individual to properly perform COR responsibilities.

283 Manager as COR

The installation head at the requesting office may serve as the COR.

290 Lead Time

291 Implementation Plans

An implementation plan is normally furnished to the requiring activity by the contracting officer within 15 days after receipt of the SOW. The implementation plan covers all matters leading to contract award, including milestone dates for publicizing the requirement, issuance of a solicitation, receipt of proposals, evaluation, negotiations, and reviews and approvals.

292 Milestones (Cafeteria)

The milestones and lead times in the "Milestone Chart" below should be used when processing contracts for cafeterias. As to the period of time between contract award and the beginning of services under the contract, the actual number of days is left to the discretion of the contracting officer. It is usually not less than 30 days or more than 90 days.

MILESTONE CHART		
Milestone	Calendar Days	Description
1	21	Issue Solicitation
2	40	Prepare Proposals
3	30	Complete Evaluation
4	45	Clarify, Discuss and Negotiate
5	10	Award Contract
6	30-90	Post Award Conference & Begin Service
	240	Total Target Time

Notes:

1. In milestone 1, the timeframe starts at acceptance of the requirement. It includes announcing the requirement to the State licensing agency, in the *Commerce Business Daily* (CBD), developing a source list, establishing preproposal dates and agenda, and preparing and mailing the solicitation. SOLICITATION SHOULD NOT BE DELAYED DUE TO A LACK OF DOL WAGE RATE. DGS WILL ALLOW FOR THE ISSUANCE OF A SOLICITATION BY USE OF A SPECIAL CLAUSE—WAGE DETERMINATION (Clause OB-121, Alternate 1).

2. In milestone 2, the timeframe includes the preproposal meeting, the preparation and distribution of minutes, and the offerors' proposal preparation.

3. In milestone 3, time is allotted for the panel's evaluation of proposals, and includes visits to the offerors' facilities and the development of questions required for clarification.

4. In milestone 4, the timeframe includes clarification meetings (if required), determination of competitive range, request for State agency priority designation from the Department of Education (if required), selection of apparent best offer other than the State agency's, and determination of offeror responsibility.

5. In milestone 5, time is allotted for the signing of the contract, reproduction and distribution, and notification to unsuccessful offerors.

6. In milestone 6, a specific timeframe is determined by the contracting officer based upon type of service and any other important considerations.

293 Milestones (Noncafeterias)

The milestones and lead times in the "Milestone Chart" below should be used when processing contracts for central lunchrooms and satellite vending. As to the period of time between contract award and the beginning of services under the contract, the actual number of days is left to the discretion of the contracting officer. It is usually not less than 30 days or more than 90 days.

MILESTONE CHART		
Milestone	Calendar Days	Description
1	21	Issue Solicitation
2	30	Prepare Proposals
3	21	Complete Evaluation
4	21	Clarify, Discuss and Negotiate
5	10	Award Contract
6	30-90	Post Award Conference & Begin Service
	180	Total Target Time

Notes:

1. In milestone 1, the timeframe starts at acceptance of the requirement. It includes announcing the requirement to the State licensing agency, in the Commerce Business Daily (CBD), developing a source list, establishing preproposal dates and agenda, and preparing and mailing the solicitation. SOLICITATION SHOULD NOT BE DELAYED DUE TO A LACK OF DOL WAGE RATE. DGS WILL ALLOW FOR THE ISSUANCE OF A SOLICITATION BY USE OF A SPECIAL CLAUSE—WAGE DETERMINATION (Clause OB-121, Alternate 1).

2. In milestone 2, time is allotted for solicitation distribution and proposal preparation.

3. In milestone 3, time is allotted for evaluation of proposals, and determinations of responsibility and fairness and reasonableness of price.

4. In milestone 4, the timeframe includes clarification meetings (if required), and selection of apparent best offer.

5. In milestone 5, time is allotted for the signing of the contract, reproduction and distribution, and notification of unsuccessful offerors.

6. In milestone 6, the specific timeframe is determined by the contracting officer based upon type of service and any other important considerations.

Chapter 3

Source Selection and Award

310 Review

The contracting officer must review the request to ensure that it is complete and that it clearly sets forth the services desired. The request forms the basis on which the contracting officer prepares the solicitation—which informs prospective suppliers of the requirements, tells them how to prepare proposals, and states the terms and conditions that will govern source selection. Any requested modification of or addition to the provisions or clauses in the solicitation must be reviewed carefully and coordinated with the requesting office.

320 Method of Source Selection

The contracting procedures followed for cafeteria and vending machine contracts are generally similar, but their differences are important. Therefore, each is treated separately in this chapter.

330 Selection Procedures for Cafeterias

331 Presolicitation Steps

331.1 Official Announcement to the State Agency. Before preparing the solicitation, the contracting officer must send an official letter to the State licensing agency for the blind, formally announcing the cafeteria requirement (see Exhibit B, Parts 1 and 2).

331.2 Determination of Interest. Using locally developed source lists, the contracting officer sends a letter to firms, including the incumbent contractor (if any), to determine interest. The letter should also be sent to other food service

companies that have expressed an interest in submitting an offer (see Exhibit B, Part 3).

331.3 Noncompetitive Contracts With the State Agency

331.31 Authority. Noncompetitive negotiation with the State licensing agency is authorized when the food service "...can be provided at a reasonable cost, with food of a high quality comparable to that currently provided employees" (34 CFR 395.33). The installation head or the Field Director, Human Resources, may recommend to the contracting officer that negotiations with the State agency be undertaken on a noncompetitive basis. The contracting officer may also initiate a noncompetitive procurement of cafeteria services with the concurrence of the installation head and the Field Director, Human Resources.

331.32 State Agency Notification. The contracting officer sends a letter to the State licensing agency requesting that it submit a formal proposal if the agency is interested in a noncompetitive contract (see Exhibit B, Part 2). If the State licensing agency chooses to negotiate a noncompetitive contract, the food service requirement is not published or synopsized in the Commerce Business Daily (CBD). The agency submits a formal proposal that is evaluated by the evaluation panel on the basis of the evaluation criteria and the SOW. If the State agency declines to negotiate a noncompetitive contract, the contracting officer publishes and synopsizes the food service requirement and follows the procedures for competitive contracts.

332 Solicitation Preparation

332.1 Assembly. DGS has been designed to generate cafeteria solicitations and subsequent contracts in full compliance with these

procedures. See DGS User's Manual for instructions. Also see Exhibit C for sample food services solicitations. The following should be included:

a. Solicitation Cover Letter. See Exhibit B, Part 4.

b. Solicitation Cover Page. Complete as instructed by DGS.

c. Offer and Award Format. Complete as instructed by DGS.

d. Section A—Items and Prices. Insert the appropriate information from the SOW, as prompted by DGS.

e. Section B—Scope of Work/Specifications. Assembled by DGS.

f. Section C—Delivery or Performance Schedule. Complete as instructed by DGS, inserting information from the SOW.

g. Section D—Packaging and Marking. N/A.

h. Section E—Inspection & Acceptance. Assembled by DGS.

i. Section F—Payment and Funding.

j. Section G—Special Clauses. Assembled by DGS.

k. Section H—General Contract Clauses. Assembled by DGS.

l. Section I—List of Attachments. Assembled by DGS.

m. Section J—Instructions to Offerors. Assembled by DGS.

n. Section K—Solicitation Notices and Provisions. Assembled by DGS.

o. Section L—Representations and Certifications. Assembled by DGS and to be completed by the offeror.

p. Section M—Evaluation and Award. Assembled by DGS.

q. Table of Contents. The table of contents is generated by DGS after all the other sections have been assembled. Before the solicitation is sent out, insert the Table of Contents in front of Page 1.

332.2 Performance Bonds. Performance bonds may be required only if the contracting officer determines that performance bonding is in the interest of the Postal Service. Performance bonds are not required for State licensing agencies for the blind. A performance bond acts as a security for the contractor's obligations under the contract, especially for the collection of money

should a terminated contractor remove Postal Service property from the cafeteria or refuse to pay for damages. When a performance bond is required, the amount must be not less than the estimated value of the removable equipment supplied by the Postal Service. Upon receipt of the bond, procurement personnel must verify that the bonding company is on the U.S. Treasury's list of approved sureties, which is published annually in the Federal Register as Treasury Circular 570 (see PM 7.1.3).

332.3 Different Requirements in One Package.

If the food service requirements package includes requirements for both a cafeteria and a satellite vending facility, two separate solicitations may be prepared—one for the cafeteria and one for the satellite vending facility. Separate solicitations allow negotiation of the cafeteria contract on a break-even basis while permitting commercial vendors to negotiate commissions for satellite vending. Separate accounting for cafeteria and satellite vending machines is required if the same contractor is selected for both contracts. However, if the State agency declines to participate in both the cafeteria and the satellite vending procurement, the requirements may be combined into one solicitation.

332.4 If the State Agency Does Not Participate. The requirements package transmittal memo should indicate whether the State agency will operate a vending facility on a permit basis. An information copy of the solicitation must be sent to the State licensing agency, even if it has expressed no official interest.

332.5 Preproposal Conference. The contracting officer and the installation head coordinate the date, time, and location of the preproposal conference. This meeting is usually held at the requiring installation 10 to 20 days after the solicitation is issued, to provide interested parties the opportunity to inspect the facility or the plans for a facility that is under construction.

332.6 Other Solicitation Steps

332.61 Obtaining a Wage Determination. Since the contracts awarded under these procedures are expected to exceed \$2,500 in sales for the initial period, Service Contract Act wage and fringe benefit determinations must be included in each agreement, if available (see PM and PH 10.2.10).

332.62 Notifying the Requesting Office. The requesting office should be notified of solicitation issuance and advised that any inquiries concerning the requirement must be directed to the individual indicated in the Solicitation Cover Page.

333 Evaluation of Proposals

333.1 Guidelines. Guidelines for evaluating cafeteria proposals are in Exhibit D.

333.2 Evaluation Panel

333.21 Function. The Evaluation Panel evaluates the proposals received. The Panel also presents the evaluation results to the contracting office for use by the contracting officer.

333.22 Selection. The installation head selects the Evaluation Panel. The panel should have at least three members, but may have any odd number of members. The panel members evaluate the proposals using the evaluation criteria contained in the solicitation. Each member should be sufficiently knowledgeable of the procurement requirements and objectives in order to be capable of forming a judgmental decision as to the quality of each proposal in relation to each evaluation factor in the solicitation.

333.23 Visiting Offerors' Cafeterias. The contracting officer makes arrangements with the offerors to visit their food preparation centers as a part of the technical evaluation process, if the evaluation panel chairperson so requests. At the end of each visit, the panel members must add a report to their evaluations and include their assessments of the strong points and deficiencies of each offeror's site in their ratings.

333.24 State Licensing Agency Proposals

333.241 Priority Determination. A competitive proposal from the State licensing agency for the blind is treated no differently from other proposals during the technical evaluation process. If the State agency proposal is judged to be in the competitive range, the contracting officer sends a memorandum to the Secretary of Education requesting a determination of priority (see Exhibit B, Part 5). Submit these requests to:

DIRECTOR
DIVISION FOR THE BLIND AND VISUALLY IMPAIRED
REHABILITATION SERVICES ADMINISTRATION
DEPARTMENT OF EDUCATION
SWITZER BUILDING ROOM 2229
330 C STREET SW
WASHINGTON DC 20202-0001

333.242 State Licensing Agency Notification. The contracting officer must notify the State licensing agency that a request for determination of priority has been sent to the Department of Education.

334 Contract Award

334.1 When State Agency Submits a Proposal. The contracting officer must award the contract to the State agency if:

- a. The State agency's competitive proposal is within the competitive range; and
- b. The Secretary of Education has issued a determination of priority.

334.2 State Agency Declines to Submit a Proposal or Secretary of Education Refuses to Issue a Determination of Priority. When the State agency declines to submit a proposal, or the Secretary of Education declines to issue a Determination of Priority for the proposal submitted by the State agency, the contracting officer selects for award the proposal most advantageous to the Postal Service. The contracting officer must make an affirmative determination of responsibility and determine that proposed prices are fair and reasonable before an offeror other than the State agency may be selected for award.

340 Selection Procedures for Satellite Vending and Central Lunchrooms

341 Presolicitation Steps

341.1 Official Announcement to the State Agency. Before preparing the solicitation, the contracting officer sends an official letter to the State licensing agency for the blind, formally announcing the vending requirement (see Exhibit B, Part 6).

341.2 Method of Solicitation. Solicitations must be mailed or otherwise provided to prospective offerors on the mailing list, including the incumbent contractor (if any). An information copy must be sent to the State Agency for the Blind, even if it has expressed no official interest.

342 Solicitation Preparation

342.21 Assembly. DGS has been designed to generate satellite vending or central lunchroom solicitations and subsequent contracts in full compliance with these procedures. See DGS User's Manual for instructions. Also see Exhibit D for sample solicitations. The following should be included:

a. Solicitation Cover Letter. See Exhibit B, Part 7.

b. Solicitation Cover Page. Complete as instructed by DGS.

c. Offer and Award Format. Complete as instructed by DGS.

d. Section A—Items and Prices. Insert the appropriate information from the SOW, as prompted by DGS.

e. Section B—Scope of Work/Specifications. Assembled by DGS.

f. Section C—Delivery or Performance Schedule. Complete as instructed by DGS, inserting information from the SOW.

g. Section D—Packaging and Marking. N/A.

h. Section E—Inspection & Acceptance. Assembled by DGS.

i. Section F—Payment and Funding.

j. Section G—Special Clauses. Assembled by DGS.

k. Section H—General Contract Clauses. Assembled by DGS.

l. Section I—List of Attachments. Assembled by DGS.

m. Section J—Instructions to Offerors. Assembled by DGS.

n. Section K—Solicitation Notices and Provisions. Assembled by DGS.

o. Section L—Representation and Certifications. Assembled by DGS and to be completed by the offeror.

p. Section M—Evaluation and Award. Assembled by DGS.

q. Table of Contents. The table of contents is generated by DGS after all the other sections have been assembled. Before the solicitation is sent out, insert the Table of Contents in front of page 1.

342.22 Combined Vending Machine Classification Solicitation. Commission (satellite vending) and noncommission bearing vending machine requirements (central lunchroom) may be combined into a single solicitation. Optional clauses OB-636 and OB-637 are used that show locations from which commissions are paid and are not paid.

343 Complaints by State Agencies

343.1 Authority. As stated in the Code of Federal Regulations, "If the State licensing agency is dissatisfied with an action taken relative to its proposal, it may file a complaint with the Secretary under the provisions of 34 CFR 395.33."

343.2 Arbitration. The Randolph-Sheppard Act, as amended, provides for arbitration as a remedy for a State licensing agency that believes a Federal property-managing agency (in this case the Postal Service) is not complying with the provisions of the Act. The State licensing agency files for arbitration with the Secretary of the Department of Education, and the Postal Service General Counsel is notified. The General Counsel, the Headquarters Personnel Division, and the installation head represent the Postal Service during arbitration.

343.3 Complaint Filed Before Award. If the State agency files the complaint before the contract is awarded, the Field Director, Human Resources, provides guidance to the contracting officer.

344 Evaluation of Proposals

Depending on the type of requirement, proposals must be evaluated according to the applicable criteria. These differ for cafeterias, central lunchrooms, and satellite vending facilities (and may further differ depending on whether the solicitation requires the offeror to provide projected itemized sales in multi-commodity machines). DGS will generate the applicable evaluation provision for the specific requirement.

350 Determination of Contractor/Subcontractor Responsibility

351 Contractor Responsibility

The contracting officer must make an affirmative determination of contractor responsibility assuring that the contractor being considered for award meets all the criteria outlined in PM 3.3.1.b.

352 Subcontractor Responsibility

When so indicated by the prospective contractor, and, when it is determined to be in the Postal Service's best interest to do so, the contracting officer may directly determine a prospective

subcontractor's responsibility, using the standards outlined in PM 3.3.1.b.

360 Award

361 Notice of Award

The successful offeror must be issued a notice of award along with the following attachments:

- a. A copy of the contract;
- b. A copy of the COR notice of appointment (see Exhibit B, Parts 8 and 9, and the discussion in chapter 4, section 1).
- c. WH 1313 Poster; and
- d. If the annual amount exceeds \$10,000, also provide a copy of the EEO Poster.

362 Notice to the Department of Labor

An original Standard Form 99, *Notice of Award of Contract*, and one copy must be sent to the Department of Labor (see PM 10.2.10.f).

363 Notice to Unsuccessful Offerors

Unsuccessful offerors must be notified promptly after award that their offers are not being accepted.

364 Distribution

In addition to those given to the successful offeror and the COR, a copy of the contract may also be sent to the installation head. The original copy of the contract is to be kept in the procurement office's official file.



Chapter 4

Contract Administration

410 Contract Administration (Cafeteria Contracts)

411 Appointment of Contracting Officer's Representative (COR).

Simultaneous with contract award, the contracting officer must issue a notice of appointment to the COR and any backup COR designated for the contract. The form and content of the COR notice should be as shown in Exhibit B, Parts 8 or 9, as appropriate. A copy of the contract should be forwarded to the COR along with the notice. The COR's authority is limited to that specifically granted in the notice.

412 Inspections and Reports

412.1 Inspections. The COR should visit the cafeteria regularly to evaluate the quality of food and service, working with the contractor to correct minor problems. This includes monitoring sanitation practices and the attitudes of the food service staff. The contract specifications, terms and conditions are the basis for contract performance evaluation. Any major problems must be reported to the contracting officer. The contracting officer must notify the contractor in writing of these deficiencies and establish a time frame in which to remedy the problem(s). If compliance is not achieved, termination procedures may be initiated.

412.2 Monthly Reports and Checks for Operating Costs. The contractor must furnish copies of his/her monthly (or four week) profit and loss statements to both the contracting officer and the COR within 15 days after the end of the monthly or four week period. Checks for the 1.5 percent operating fee must accompany the report to the COR. The data may be used for the following:

- a. As reference by the contracting officer when price increases are requested;
- b. To determine sales volume;
- c. To estimate the profitability of the machines;
- d. To gather data for the next solicitation;
- e. To determine sales trends; and
- f. To analyze reasons for sales decreases.

412.3 The COR aids the contracting officer in the monitoring of the report data and informs the contracting officer of trends affecting prices or commission rates.

413 Catering

From time to time, especially in large installations, the contractor may be required to provide catering. Requests should be submitted through the COR and payments made on a local basis.

420 Contract Administration (Satellite Vending and Central Lunchroom Contracts)

421 Appointment of Contracting Officer's Representative (COR). See 411.

422 Inspections and Reports

422.1 Inspections. The COR should monitor the vending machine site regularly to evaluate the quality of food and service, working with the contractor to correct minor problems and to insure that contractor performance is satisfactory. Prices are to be commensurate with those cited in the contract and machines are to be refilled as specified. If microwave ovens are specified, they are to be in good working

condition and signs are to be posted in accordance with safety regulations. Any major problems are to be reported to the contracting officer. The contracting officer must notify the contractor in writing of these deficiencies and establish a time frame in which to remedy the problem(s). If compliance is not achieved, termination procedures may be initiated.

422.2 Vending Machine Monthly Reports and Commission Checks. Within 15 days after the end of each calendar month, the contractor must furnish a report for the previous month to the COR (with a copy to the contracting officer). The report must show the number of items vended for each category, gross dollar income, and the amount of commission to be paid to the Postal Service (when applicable). Separate checks for commission and the 1.5 percent operating fee, along with a P&L statement with monthly and year-to-date totals must accompany the reports to the COR. Copies must be sent to the contracting officer. The data may be used for the following:

- a. To compute commissions;
- b. As reference by the contracting officer when price increases are requested;
- c. To determine sales volume;
- d. To estimate the profitability of the machines;
- e. To gather data for the next solicitation;
- f. To determine sales trends; and
- g. To analyze reasons for sales decreases.

422.3 The COR aids the contracting officer in the monitoring of the report data and informs the contracting officer of trends affecting prices or commission rates.

422.4 Vending Machine Price Adjustments. Under normal circumstances, adjustments in prices or commissions are not considered for at least one year from the date of contract award. There are specific circumstances where adjustments may be considered prior to one year, i.e., state taxes raised on cigarettes. When the contractor does request an upward price adjustment and it is supported by all necessary financial data, the contracting officer may enter into negotiations to adjust prices, the commission rate, or both.

422.5 State Licensing Agency

422.51 Problems. The COR requests assistance from the local representative of the State licensing agency when day-to-day problems arise that cannot be resolved by direct contact with the blind vendor. Depending on whether the services are provided under a permit or a contract, the COR should refer persistent problems to either the Field Director, Human Resources, or the contracting officer.

422.52 Formal Complaints. The State agency is entitled to file a complaint requesting arbitration with the Secretary of Education if it believes that the Postal Service is in violation of the Randolph-Sheppard Act.

422.6 Access, Security, and Fingerprinting

422.61 Access. The Postal Service must grant access to Postal Service facilities for all contractor personnel as necessary to discharge their responsibilities under the contract. The COR must ensure that proper identification is used to comply with the installation's security practices.

422.62 Security. If the installation has no security officer, the COR appoints a representative to control security reports and to be key custodian.

422.63 Fingerprinting. When security clearances are necessary to protect the interest of the Postal Service, the COR contacts the inspector-in-charge to arrange for the clearances and fingerprinting of contractor personnel who will have access to Postal Service facilities.

430 Modifications

Only the contracting officer is authorized to modify any term or condition of the contract. If a modification is required, the contracting officer must be provided with all the information and documentation necessary to justify it.

440 Termination

Depending on type of food service contract, the contract may be terminated on written notice of either party. If the requesting office determines that service is no longer acceptable, it must ask the contracting officer to terminate the contract.

450 Records

451 Responsibility

Throughout the life of the contract, record keeping is the joint responsibility of the COR and the contracting officer.

452 Official Contract File

This file is maintained by the contracting officer and must include:

- a. The original documentation requesting the contract;
- b. A copy of the contract and any modifications;
- c. All inspection reports submitted by the COR;
- d. All contractor monthly reports and/or profit and loss statements; and
- e. Documentation and correspondence relating to any performance problems.

453 Contract Administration File

The COR's contract administration file must contain:

- a. A copy of the contract and any modifications;
- b. A copy of the contracting officer's notice of appointment;
- c. All contractor monthly reports and/or profit and loss statements;
- d. Documentation and correspondence relating to any performance problems; and
- e. Memoranda of phone calls, meetings, and other conversations having a bearing on contract performance.

460 Contract Renewal

461

These contracts are for a three-year term and are renewable, at the option of the Postal Service, with the concurrence of the vendor, for two additional one-year periods. The COR should forward a request for extension to the contracting officer at least 120 days before the expiration date. However, if the requirement must be resolicited, additional lead time will be needed depending on the type of service (see 292 or 293). This lead time is necessary to enable the contracting office to give the contractor the required notice of extension.

462

Refer to PH 6.5.1 V for guidance on processing options. Record the modification information into the current system (i.e., COMPASS, etc.).



Food Service Requisition Documents

This exhibit contains the documentation required for a Postal Service facility to request a food services contract. Any request for a food services contract (whether for a cafeteria, vending services or a central lunchroom) must contain this information.

This exhibit includes the following:

Part 1, Requirements Data for Statements of Work (cafeterias)

Part 2, Requirements Data for Statements of Work (satellite vending and central lunchroom)



Requirements Data for Statements of Work (Cafeterias)

Installation
 Street Address
 City, State, and ZIP + 4

1. Reason for Request (check one):

Activation of new facility _____
 Current contract expires on _____ (date)
 No contract exists _____

2. Current contract information (if applicable):

Name of current contractor _____
 Current contract number _____
 Termination provisions (Is notice required?) _____
 If notice is required, how many days? _____

3. Type of service requested:

() Vending Cafeteria—Customers serve themselves from vending machines. A vending cafeteria must offer at least two prepared hot or cold full meals consisting of a meat and vegetable. The cafeteria may be attended or unattended.

() Manual Cafeteria—Food is prepared on-site and obtained by employees through a serving line similar to commercial cafeterias.

() Van Nuys Concept Cafeteria—Food is prepared off-site and delivered to the Postal Service installation, where it is obtained by employees through a serving line similar to commercial cafeterias.

4. Requirements:

a. For Manual and Van Nuys Concept Cafeterias Only

Hours of service:	Tour 1	From _____	To _____
	Tour 2	From _____	To _____
	Tour 3	From _____	To _____

Days of week: _____

b. Building population

Tour 1 ____ Tour 2 ____ Tour 3 ____ Total ____

c. Percentage of anticipated use by employees of each tour

Tour 1 ____ Tour 2 ____ Tour 3 ____

Exhibit A, Part 1 (p. 1)

- d. (1) Hours that building is occupied _____.
(2) Number of days that building is occupied ____.
- e. Description of the utilities that will be furnished by the Postal Service.
- f. Attach a description of both building and equipment maintenance that will be furnished by the Postal Service.
- g. Attach drawings of spaces to be provided and the proposed layout. Include storerooms, entrances, dimensions, water lines, utilities, electric outlets and available amperage, gas lines. Drawing should also include placement of any USPS provided equipment.
- h. List of holidays on which the cafeteria is closed.
- i. Special services required.
- j. Detailed listing of equipment that will be furnished by the Postal Service. (Attach list if necessary.)
- k. Detailed listing of equipment that will be furnished by the contractor. (Attach list if necessary).
- l. Representative menu and portion sizes. (Attach list.)
- m. List of representative prepackaged sandwiches (including portion sizes), beverages, candies, and so on. (Attach list.)
- n. For lunch or dinner, items ____ may ____ may not (check one) be frozen and heated for service.
- o. (For a vending cafeteria) A manual grill for sandwiches and limited platters ____ is ____ is not (check one) required.
- p. Auxiliary equipment that must be furnished by the contractor.
- q. Requested effective date of service _____ (at least 240 days from estimated date of approval by Field Director, Human Resources).
- r. Attach a list of names and addresses of local professional food service firms that might be interested in providing these services.
- s. The recommended contracting officer's representative is: (name, title & phone #) _____. The nominee ____ is ____ is not the installation food service officer.
- t. Name and address of the appropriate individual to be contacted at the State licensing agency for the blind. (Complete title and address; no activity abbreviations.)

u. The evaluation panel for this procurement will consist of:

Chairperson	Name	Title	Phone number
-------------	------	-------	--------------

_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

Installation Head

Requirements Data for Statements of Work (Satellite Vending and Central Lunchroom)

Installation
Street address
City, State, and ZIP

1. Reason for request (check one):

- ☐ Activation of new facility
☐ Current contract expires on _____ (date)
☐ No contract exists

2. Current contract information, (if applicable):

Name of current contractor _____
Current contract number _____
Termination provisions (is notice required?) _____
If notice is required, how many days? _____

3. Type of service requested:

() Satellite Vending—One or more snack or beverage vending machines, with no attendant on duty, either separated from the principal food service area or consisting of only this type of operation. A snack vending operation can have only one of the following: chairs and tables available for the employees' benefit OR vending machines that dispense sandwiches. This applies to vending machines, usually less than one-half dozen, placed in remote locations of the building which will not support a blind vendor.

() Central Lunchroom—A group of vending machines AND the following: tables and chairs provided for employees and sandwiches dispensed. It may also provide no more than one prepared hot or cold full meal consisting of one meat and one vegetable. It can be attended or unattended.

4. Requirements

a. Building population

Tour 1 ____ Tour 2 ____ Tour 3 ____ Total ____

- (1) Hours that building is occupied _____.
(2) Hours of peak population _____.
(3) Number of days that building is occupied ____.

b. Sales

- (1) Estimated total annual sales (satellite vending) \$ _____.
(2) Estimated total annual sales (central lunchroom) \$ _____.

- c. Size of building (net usable floor space): ____square feet.
- d. Attach drawings of spaces to be provided and the proposed layout. Include storerooms, entrances, dimensions, and so on.
- e. Requested effective date of service _____ (at least 180 days from estimated date of approval by Field Director, Human Resources).
- f. Attach a list of names and addresses of local professional food services firms that might be interested in providing these services.
- g. Auxiliary equipment that must be furnished by the contractor (i.e., change machines, condiment stands, microwave, etc.).

- h. Attach a list of vending requirements to include the number and types of machines, items to be vended, and average monthly vends.
- i. Attach a written confirmation of whether the State licensing agency did or did not express interest in operating a vending facility or central lunchroom under permit.

Note: A vending facility consists of vending machines or other equipment that may be operated by a blind vendor. These facilities are frequently referred to as lobby stands. However, vending machine areas within a building may qualify as satisfactory vending facilities (those which are able to support a blind vendor). If operation by permit is declined, these sites become satellite vending sites.



Sample Food Services Documents

This exhibit contains the following sample correspondence, worksheets and formats:

- Part 1, Announcement to State Agency (competitive)
- Part 2, Announcement to State Agency (noncompetitive)
- Part 3, Determination of Interest (cafeteria)
- Part 4, Solicitation Cover Letter (cafeteria)
- Part 5, Request for State Agency Priority
- Part 6, Determination of Interest (satellite vending or central lunchroom)
- Part 7, Solicitation Cover Letter (satellite vending or central lunchroom)
- Part 8, Contracting Officers Representative Appointment (cafeteria)
- Part 9, Contracting Officers Representative Appointment (satellite vending or central lunchroom)



Announcement to State Agency (Competitive)

Date:

Reply to: Contracting Officer, USPS

Subject: Requirement for Food Service Contract

To: _____ (name)

_____ (state agency for the blind)
_____ (address)
_____ (city, state, and ZIP + 4)

The United States Postal Service will release a Request for Proposal (RFP) in the next several weeks to perform the food service contract (cafeteria) at _____.

The facility has _____ employees, of which _____ percent will use the cafeteria. The contract will be competitively negotiated. Each proposal will be evaluated based upon menu variety and quality, experience, sanitation practices, pricing, resources, and accounting practices. You must submit a detailed proposal documenting your response to these criteria.

I will announce a proposal conference later, which you are invited to attend. Award will be made to the State Licensing Agency if your proposal is "...judged to be within the competitive range" (34 CFR 395.33). The competitive range will be determined after all evaluations are completed.

Please let me know in writing before _____ (date) if your agency would like to participate, so that I can send you a solicitation package.

Contracting Officer
U.S. Postal Service



Announcement to State Agency (Noncompetitive)

Date:

Reply to: Contracting Officer, USPS

Subject: Requirement for Food Service Contract

To: _____ (name)

_____ (state agency for the blind)
_____ (address)
_____ (city, state, and ZIP + 4)

The United States Postal Service requires a food services contract (cafeteria) at _____ . A noncompetitive contract with a State Licensing Agency can be negotiated when that service "...can be provided at a reasonable cost, with food of high quality comparable to that currently provided to employees" (34 CFR 395.33).

The facility has _____ employees, of which _____ percent will use the cafeteria. The cafeteria will be open _____ days a week, except on holidays observed by the Postal Service. The operation will be _____ (manual, full service vending, combination) and will operate from _____ : _____ , AM through _____ : _____ , PM (day) through (day).

Please tell me in writing of your firm's intention to negotiate or not negotiate, before _____ (date) so that I may send you a solicitation package. Evaluation of your proposal will be based on the following criteria: menu variety and quality, sanitation practices, pricing, resources and accounting practices.

You may request a meeting with me and personnel at the requiring postal installation after reviewing the solicitation. We will discuss all aspects of the solicitation with you and show you the facilities.

Contracting Officer
U.S. Postal Service



Determination of Interest (Cafeteria)

Date:

Reply to: Contracting Officer, USPS

Subject: Requirement for Food Service Contract

To: _____ (name)

_____ (address)

_____ (city, state, and ZIP + 4)

The United States Postal Service will release a Request for Proposal (RFP) in the next several weeks to perform the food services contract (cafeteria) at _____.

The facility has _____ employees, of which _____ will use the cafeteria. The contract will be competitively negotiated. Award will be made to the offeror judged most qualified to provide the best service to the Postal Service. A priority for award may be given to the State Licensing Agency for the Blind in compliance with the Randolph-Sheppard Act, as amended, and its implementing regulations.

Each proposal will be evaluated based upon menu variety and quality, sanitation practices, pricing, resources, and accounting practices. You must submit a detailed proposal documenting your response to all of these criteria. I will announce a preproposal conference later, which you are invited to attend.

Contracting Officer
U.S. Postal Service

Solicitation Cover Letter (Cafeteria)

Date:

Reply to: Contracting Officer, USPS

Subject: Requirement for Food Service Contract

To: _____ (name)

_____ (address)
_____ (city, state, and ZIP + 4)

You have indicated an interest in performing the food services contract at _____
(facility and address). Please submit your proposal according to the enclosed Request for Proposal
(RFP), with attachments.

You are invited to attend the proposal conference:

Date _____
Time _____
Room _____
Facility _____

During the conference prospective offerors will be briefed on the scope of operation, and the general and local conditions that will materially affect the services to be performed. Please inform me, by letter or by telephone, of who will attend the conference, and submit any questions to me in writing before the meeting.

Please document your proposal and bind it in one volume. Tab sections under the heading and content shown on the enclosed proposal preparation guidelines. All proposals will be evaluated using the criteria described in the RFP. Proposals will be accepted in the office designated in the RFP until _____ (date and time).

The _____ (State Agency for the Blind) has officially stated that they
_____ (will/will not) submit a proposal.

Contracting Officer
U.S. Postal Service

_____ (telephone number)

Enclosure

Request for State Agency Priority

Date:

Reply to: Contracting Officer, USPS

Subject: Priority Determination

To: DIRECTOR
DIVISION FOR THE BLIND AND VISUALLY IMPAIRED
REHABILITATION SERVICES ADMINISTRATION
DEPARTMENT OF EDUCATION
SWITZER BUILDING ROOM 2229
330 C STREET SW
WASHINGTON DC 20202-0001

The _____ (State Licensing Agency) has submitted a proposal for cafeteria service at _____ (facility name and address) in response to our solicitation. We have evaluated this proposal, one of _____ (number) received, and it is within the competitive range.

We believe that the agency's proposal can provide employees with high quality food at a reasonable cost comparable with that currently provided. We request that the Secretary make a determination to establish priority for this proposal in accordance with 34 CFR 395.33.

Please write or call me for further information concerning this contract. Your prompt reply will be appreciated.

Contracting Officer
U.S. Postal Service

_____ (telephone number)

Determination of Interest (Satellite Vending or Central Lunchroom)

Date:

Reply to: Contracting Officer, USPS

Subject: Requirement for Food Service Contract
Satellite Vending and/or Central LunchroomTo: _____ (name)

_____ (address)
_____ (city, state and ZIP + 4)

The United States Postal Service will release a request for proposal (RFP) in the next several weeks to perform the food services contract (satellite vending and/or central lunchroom) at _____.

The facility has _____ employees, of which _____ percent will use the food vending facilities. The contract will be competitively negotiated. Award will be made to the offeror who is judged most qualified to provide the best service to the Postal Service.

Each proposal will be evaluated based on evaluation criteria cited in the Request for Proposals. Your proposal must be submitted in response to these criteria.

Please let me know in writing before _____ (date), if your company would like to participate, in order that I may send you an RFP.

Contracting Officer
U.S. Postal Service

Solicitation Cover Letter (Satellite Vending or Central Lunchroom)

Date:

Reply to: Contracting Officer, USPS

Subject: Request for Proposal

To: _____ (name)

_____ (address)

_____ (city, state, and ZIP + 4)

You have indicated an interest in performing the Satellite Vending or Central Lunchroom contract at _____ (facility and address). Please submit your proposal according to the enclosed Request for Proposal (RFP), with attachments.

All proposals will be evaluated using the criteria described in the RFP. Proposals will be accepted in the office designated in the RFP until _____ (date and time).

Contracting Officer
U.S. Postal Service

_____ (telephone number)

Enclosure

COR Notice of Appointment (Cafeteria)

I am the contracting officer for contract number _____ with _____
(contractor). I designate as my authorized contracting officer's representative (COR):

_____ (name)
_____ (title)
_____ (installation)
_____ (address)
_____ (city, state, and ZIP + 4)

The COR is delegated to:

1. Serve as the sole Postal Service point of contact with the contractor on all routine matters.
2. Perform day-to-day contract administration duties described in Handbooks AS-707, *Procurement Handbook*, and AS-707H, *Contracting for Food Services*.
3. Review and approve routine submissions required by the contract.
4. Perform necessary sanitation and food service inspections to ensure compliance with contract specifications.
5. Perform other duties as assigned from time to time.

This delegation will be in effect until completion of the contract unless rescinded by me.

_____ Name Contracting Officer	_____ Date
_____ Accepted	_____ Acknowledged
_____ Contracting Officer's Representative	_____ Contractor
_____ Date	_____ Date

COR Notice of Appointment (Satellite Vending or Central Lunchroom)

I am the contracting officer for contract number _____ with _____
(contractor). I designate as my authorized contracting officer's representative (COR):

_____ (name)
_____ (title)
_____ (installation)
_____ (address)
_____ (city, state, and ZIP + 4)

The COR is delegated to:

1. Serve as the sole Postal Service point of contact with the contractor on all routine matters.
2. Perform day-to-day contract administration duties described in Handbooks AS-707, *Procurement Handbook*, and AS-707H, *Contracting for Food Services*.
3. Review and approve the contractor's service schedule.
4. With my concurrence, order any machine out of service that is not kept clean and sanitary.
5. Collect funds from the contractor for money lost by employees in the vending machines.
6. Receive official requests for price adjustments from the contractor. (The COR will forward these to me with the appropriate recommendations.)
7. Perform other duties as assigned from time to time.

This delegation will be in effect until completion of the contract unless rescinded by me.

_____ Name Contracting Officer	_____ Date
_____ Accepted	_____ Acknowledged
_____ Contracting Officer's Representative	_____ Contractor
_____ Date	_____ Date



Exhibit C

Sample Food Services Solicitations

This exhibit contains sample DGS-generated solicitations for three distinct food services contracts. The clauses contained in the solicitations may change periodically. They are incorporated into this exhibit for reference only. The sample solicitations contained in this exhibit are for the following requirements:

Part 1, Central Lunchroom

Part 2, Cafeteria with Satellite Vending

Part 3, Satellite Vending

Each of these solicitations contains a requirement for vending machines (or a vending machine supplement), and an evaluation clause concerning them which does not require that the offeror list individual prices for multi-commodity machines. A clause requiring that type of information is included in DGS. Because the three sample solicitations require many of the same provisions and clauses, only Part 1, Central Lunchroom, contains the full text of each provision and clause (except for those contained in Volume 2 of Publication 41, *Procurement Manual*, which are referenced by name and title only). The next two samples contain the text of only those provisions and clauses unique to the solicitations; the remainder are referenced only.

When you generate a food services solicitation via the DGS, if a different provision or clause (dated later than the same one in this exhibit) is included in the contract document, do not change it. The provision or clause may have been revised since the issuance of this exhibit.

However, the provisions and clauses contained in the DGS-prepared document should be checked for currency against revisions to Publication 41, *Procurement Manual*.



Exhibit C, Part 1

Solicitation: Food Services

Central Lunchroom



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U.S. Postal Service Solicitation: Food Services

U.S. Postal Service Offer and Award (Food Services—Central Lunchroom)

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Section B - Specifications/Statement of Work

- B.1 Scope of Work (Clause OB-633-Alt I) (June 1988)
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- H.9 Officials not to Benefit (Clause 1-4)

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b. For Information Call:

- b. Contact name:

c. Telephone No:

d. TIN:

e. Parent TIN:

TIN=Taxpayer Identification
Number

f. Remittance Name and/or Address: (If different from above)

- b. Contact:

a. Address:

c. Telephone:

d. Start Date:

e. End Date:

-

The contractor agrees to provide food services in the form of a Central Lunchroom subject to the representations, certifications, specifications, and contract clauses which are contained herein.

- U.S. Postal Service

Signature

Date _____

Signature

Award Date

Typed or Printed Name of Person
Authorized to Sign Offer

Title

Name of Contracting Officer

Distribution: Original - File Copies - Contractor, COR(s), and Consignee(s)

Part 1—Schedule**Section A—Items and Prices****A.1 Estimated Sales (Food Services) (Clause OB-635) (June 1988)**

The Postal Service estimates the total annual sales for all vending machines under this contract at \$ _____.

A.2 Items to be Vended (Food Services) (Clause OB-637) (June 1988)

LOCATION #:1

Address: USPS

1000 MAPLE AVE

SPRINGFIELD VA 22150-2215

Inside Location: Near the Gym

Food service vending machines are to be furnished and maintained at the above location.

The building population is 100. The building is occupied 7 days/week between the hours of 7:00 AM and 12:00 midnight. The peak population uses the facility from 7:00 AM to 12:00 midnight.

The Postal Service estimates the total annual sales for all machines at this facility as \$ _____.

The following items are to be vended:

Machines		Estimated	Portion	Selling
Type	Qty.	Monthly Vends	Size*	Price

Offeror is to make entries for selling price to USPS by machine.

*Where portion sizes are shown by the USPS in the column provided, they represent the minimum portion sizes that are acceptable. If left blank, offeror must enter portion size or size range.

A.3 Acknowledgement of Amendments (Clause OB-199) (August 1988)

The offeror acknowledges receipt of amendments to the solicitation numbered and dated as follows:

Amendment Number	Date	Amendment Number	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Section B—Specifications/Statement of Work**B.1 Scope of Work (Food Vending Services) (Clause OB-633 - Alternate I) (June 1988)**

- a. The contractor is hereby granted the exclusive right during the terms of this agreement to sell food products, tobacco products, and non-alcoholic beverages through the medium of vending machines at a prescribed location, except that the Postal Service may permit a blind vendor to establish a vending facility under the provisions of the Randolph-Sheppard Act.
- b. The U.S. Postal Service agrees to furnish sufficient space and utilities (electricity and water) to enable the contractor to properly and efficiently perform its services on U.S. Postal Service property.
- c. The contractor must install and service the machines with quality products and must maintain them at its own expense, keeping the machines in good repair and in a sanitary condition at all times. The contractor must additionally maintain the immediate area of the vending machines in a neat, orderly and sanitary condition.
- d. Machine Safety - The contractor must assure all its equipment and accessories are reviewed and approved by recognized national testing agencies, such as Underwriter's Laboratories (UL). Any changes or adjustments made to this equipment by contractor personnel will be in accordance with UL standards.
- e. The contractor must assume all responsibility for loss or damage to equipment installed on Postal Service premises, except for loss or damage caused by the negligent act or omission of the Postal Service, its agents or employees. The contractor must assume all responsibility for loss of coins due to theft or pilferage from the coin device, coin box, and/or dollar bill changer.
- f. The contractor must refund monies lost in vending machines.
- g. The contractor must perform the services required under this agreement in a courteous, efficient and orderly manner.
- h. The contracting officer may order any machine out of service if it is found that it is not maintained in a clean and sanitary condition. The contractor must be prepared, upon twenty-four (24) hours notice, to have a representative on hand at any machine so that it may be opened for inspection by individuals designated by the contracting officer.
- i. The contractor, in conjunction with the contracting officer or his designated representative, must develop a servicing schedule which will assure that all machines are adequately stocked with fresh merchandise to meet employees' demand during peak working hours. Depending upon the number of machines and locations thereof, the peak demand periods may not be the same throughout the building. All perishable foods must be appropriately dated to assure good stock rotation.
- j. All food and beverages supplied by the contractor must conform in all respects to Federal, State, and local laws relating to the adulteration of food and drink and must in all respects be suitable for human consumption.
- k. All vending equipment must be checked, as required, and a record of service calls must be maintained and made available to the contracting officer. Emergency maintenance service must be available. Telephone numbers that should be called to obtain maintenance service must be posted near each vending machine.

l. It is the intent of the Postal Service to make available to its employees products available from vending machines which are comparable in quality, quantity, and price to like products offered through the geographic area within which the installation is located. It recognizes, however, that the contractor may be required during the course of this contract to request economic adjustments in the price of commodities vended. Accordingly, when officially requested by the contractor and supported by all necessary financial back-up, the contracting officer will enter into negotiations with the contractor to adjust prices. Any agreed to adjustment must result in a formal modification to this contract. No adjustments in selling price will be considered for at least one year from date of contract award.

Within fifteen (15) days after the end of each calendar month, the contractor must furnish to the COR, with a copy to the CO, a report for the previous month, of (a) the number of items vended for each category, (b) gross dollar income. Checks for 1 1/2 percent of net sales for space and utilities must be made to the Postal Service and sent to the COR. A P & L statement with monthly and year-to-date totals must accompany the reports delivered to the COR with copies to the Contracting Officer.

m. The contractor must utilize generally accepted accounting principles and practices and must maintain for the purposes of this agreement, such accounting records as may be satisfactory to the contracting officer.

B.2 Auxiliary Equipment (OB-646) (May 1989)

The following auxiliary equipment must be furnished by the contractor:

Section C—Delivery/Performance

C.1 Period of Performance (Food Vending Service) (Clause OB-639) (June 1990)

The contract will be for a 36-month term, subject to the rights of termination specified herein subsequent to the official start date designated by the contracting officer. The Postal Service additionally reserves the right to extend the agreement for two additional one-year periods, provided the Postal Service exercises such option 60 days prior to said expiration date(s) by written notice to the vendor, and the vendor does not decline within 45 days prior to said expiration date(s).

Section D—Packaging and Marking

[For this document, there is no text in this section]

Section E—Inspection and Acceptance

E.1 Contracting Officer's Representative (Clause OB-547) (June 1988)

The contracting officer will appoint a contracting officer's representative (COR), responsible for the day-to-day administration of the contract, to serve as the Postal Service point of contact with the contractor on all routine matters. A copy of the Notice of Appointment defining the COR's authority will be furnished to the contractor upon award.

Section F—Payment and Funding**F.1 Payment in lieu of Rental (Clause OB-631) (June 1990)**

The contractor must pay the Postal Service the amount per calendar month equal to 1-1/2% of net sales. This fee must be applied to the Postal Service's "out-of-pocket" expense for the depreciation of equipment, space heating, lighting, air conditioning, and ventilation. This payment must be made monthly, in arrears, and must accompany the monthly Profit and Loss Statement. The first payment must be made not later than the fifteenth day of the second month of operation (this payment to cover the first month's operation or fraction thereof). Payment must be made in cash or check, made payable to the Postal Service and delivered or mailed to the contracting officer's representative (COR).

Part 2—Clauses and Attachments**Section G—Special Clauses****G.1 Wage Determination (Clause OB-121) Alternate I (January 1991)**

This agreement is subject to the provisions of the Service Contract Act of 1965.

If the U.S. Department of Labor issues an applicable Wage Determination, it will be incorporated into the agreement upon receipt.

In the absence of a Wage Determination, the contractor is required to pay not less than the minimum wage set forth in the Fair Labor Standards Act of 1938, as amended.

G.2 Termination on Notice (Clause OB-581) (Alternate I) (June 1990)

a. This contract may be terminated, in whole or in part, by either party upon 120 days' written notice. In the event of such termination, neither party will be liable for any costs, except for payment in accordance with the payment provisions of the contract for the actual services rendered prior to the effective date of the termination. The contractor must be responsible for all losses and damages to the Postal Service resulting from his/her default or failure, but may remove or dispose of his/her equipment and property, subject to any Postal Service liens on such equipment and property, to satisfy any claims against the contractor which are not satisfied by his surety. When, in the contracting officer's judgment, the interests of the Postal Service require such action, the contract may be terminated by the contracting officer, giving the contractor one day's notice in writing.

b. At the time of termination of this contract, or extensions thereof, all Postal Service-owned equipment must be returned to the Postal Service in good condition, ordinary wear and tear excepted.

G.3 Access Control of Non-Postal Personnel (Clause OB-583) (June 1988)

Contractor personnel, while on U.S. Postal Service property, must comply with the established procedures for maintaining access control. The contractor must fill out, and cause each of its employees on the contract to fill out, for submission to the contracting officer, such forms as may be necessary for security or other reasons. Upon request of the contracting officer, the contractor and the contractor's employees may be fingerprinted by the USPS personnel assigned to that duty.

G.4 Indemnification (Clause OB-614) (June 1988)

The contractor must save and keep harmless and indemnify the Postal Service against any and all liability, claims, and costs of whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any property (Postal Service or otherwise) occurring in connection with or in any way incident to or arising out of the occupancy, use, service, operations, or performance of work in connection with this contract, resulting in whole or in part from the negligent acts, fault, or omissions of contractor, any subcontractor, or any employee, agent, or representative of contractor or any subcontractor.

G.5 Contract Modification (Food Vending Service) (Clause OB-638) (June 1988)

Notwithstanding any other clause herein, no contract modification will be recognized unless in writing and signed by the contracting officer. "Contract modification" means any written alteration in the specification, delivery point, rate of delivery, contract period, price, quantity, or any other contract provision of an existing contract, whether accomplished by unilateral action in accordance with a contract clause or by mutual action of the parties of the contract. It includes: (a) bilateral actions, such as supplemental agreements and amendments, and (b) unilateral actions such as change orders and notices of termination.

Section H—General Clauses**H.1 Clauses Incorporated by Reference**

The following clauses are incorporated by reference as if set forth in full text. The requirements of these clauses may be found in Publication 41, *Procurement Manual*, references shown in parentheses.

CLAUSE NUMBER	DATE	TITLE
6-1		Bankruptcy (PM 6.2.7)
10-1		Participation of Small, Minority-Owned, and Woman-Owned Businesses (PM 10.1.5)
10-3		Convict Labor (PM 10.2.2)
10-4		Contract Work Hours and Safety Standards Act - Overtime Compensation (PM 10.2.3)
10-7		Contract Work Hours and Safety Standards Act - Safety Standards (PM 10.2.4)
10-9		Equal Opportunity (PM 10.2.7)
10-12		Service Contract Act (PM 10.2.10)
10-15		Affirmative Action for Handicapped Workers (PM 10.2.11)
10-16		Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (PM 10.2.12)
10-19		Clean Air and Water (PM 10.4.2)
10-20		Drug-Free Workplace (PM 10.5.4)

H.2 Definitions (Clause B-1)**H.3 Changes (Clause B-2)****H.4 Claims and Disputes (Clause B-9)****H.5 Examination of Records (Clause B-14)****H.6 Invoices (Clause B-20)****H.7 Protection of Postal Service Buildings, Equipment and Vegetation (Clause B-26)****H.8 Performance at Occupied Postal Premises (Clause B-27)****H.9 Officials not to Benefit (Clause 1-4)****H.10 Gratuities (Clause 1-5)****H.11 Contingent Fees (Clause 1-6)****H.12 Postal Service Property—Short Form (Clause 2-12)****H.13 Insurance (Clause 7-4)**

H.14 Federal, State, and Local Taxes (Short Form) (Clause 7-7)

H.15 Fair Labor Standards Act and Service Contract Act—Price Adjustment (Clause 10-14)

H.16 Assignment of Claims (Clause B-8)

H.17 Laws and Ordinances (Clause OB-585) (June 1988)

The contractor must comply with all applicable Federal laws, ordinances, and regulations in the course of performance under this contract.

H.18 Advertising of Contract Awards (Clause B-25)

Section I—List of Attachments

Attachment No.	Title	No of Pages
1.	Proforma Operating Statement/P & L Statement	
2.	Representative Menu with Estimated Monthly Vends (Provided in SOW)	
3.	Central Lunchroom Layout Drawing (Provided in SOW)	
4.	Performance Bond (If Necessary)	

Part 3—Solicitation Provisions

Section J—Instructions to Offerors

J.1 Preparation of Proposals (Provision A-1) (Alternate I) (June 1988)

a. Each offeror must furnish the information required by the solicitation. The offeror must sign the proposal and print or type its name on the proposal and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the proposal.

b. In case of discrepancy between a unit price/cost and an extended price/cost, the unit price/cost will be presumed to be correct, subject, however, to correction to the same extent and in the same manner as any other mistake.

J.2 Submission of Proposals (Provision A-2)

J.3 Modification or Withdrawal of Proposals (Provision A-3)

J.4 Late Submissions and Modifications of Proposals (Provision A-4)

J.5 Acknowledgment of Solicitation Amendments (Provision A-5)

J.6 Explanation to Prospective Offerors (Provision A-6)

Section K—Solicitation Notices and Provisions

K.1 Order of Precedence (Provision A-11)

K.2 Postal-Furnished Property or Services (Provision A-12)

K.3 Labor Information (Provision A-13)

K.4 Failure to Submit Proposal (Provision A-14)

K.5 Protests (Provision A-15)

K.6 Notice of Intent to Award Without Discussions (Provision A-19)

Section L—Representations and Certifications**L.1 Certificate of Independent Price Determination (Provision 1-1)****L.2 Contingent Fee Representation (Provision 1-2)****L.3 References (Provision OA-502) (June 1988)**

The offeror submits the following references who can confirm its ability and qualifications. (List name of company or organization, person to contact, title, street address including ZIP code, and telephone number. Any information furnished by references will be held in strict confidence by the Postal Service).

1. Company/Organization: _____
Person to Contact: _____ Title: _____
City: _____ State _____ ZIP Code _____
Telephone Number: _____ (including area code)
2. Company/Organization: _____
Person to Contact: _____ Title: _____
City: _____ State _____ ZIP Code _____
Telephone Number: _____ (including area code)
3. Company/Organization: _____
Person to Contact: _____ Title: _____
City: _____ State _____ ZIP Code _____
Telephone Number: _____ (including area code)

L.4 Type of Business Organization (Provision A-20)**L.5 Parent Company and Taxpayer Identification Number (Provision A-21)****L.6 Authorized Negotiators (Provision A-22)****L.7 Place of Performance (Provision A-23)****L.8 Certification of Nonsegregated Facilities (Provision 10-3)****L.9 Equal Opportunity Affirmative Action Program (Provision 10-4)**

Section M—Evaluation and Award Factors**M.1 Contract Award (Provision A-8) Alternate I (June 1988)**

The Postal Service intends to award a contract to the responsible offeror whose proposal will be most advantageous to the Postal Service, considering cost or price and other factors specified elsewhere in this solicitation.

M.2 Award Without Discussions (Provision A-9)**M.3 Evaluation of Offers (Food Services - Central Lunchroom) (Provision OA-515) (June 1990)**

In determining which offer is the most advantageous to the Postal Service, the following steps will be taken:

a. The price of items to be vended are to be competitive with like or similar items vended within the geographic area of the postal facility being serviced. Award will be made to that responsible offeror whose total offer (item price in relation to portion size) is most advantageous to the Postal Service. For example:

Vendor #1 offers a 10 oz. carton of milk with a selling price of 35 cents or 3.5 cents per ounce. Vendor #2 offers an 8 oz. carton of milk with a selling price of 35 cents or 4.375 cents per ounce.

b. The price per ounce is extended to reflect the largest size offered, and is then extended by estimated vends to reflect sales. In the example given above, the largest size offered is vendor #1, 10 oz. with the selling price of 35 cents or 3.5 cents per ounce. For evaluation purposes, vendor #2's unit price is pro-rated to show what the selling price would be if the portion size offered was the same as vendor #1 (4.375 cents per oz. x 10 oz. = 43.75 cents selling price). This would then be extended by the estimated vends to reflect sales.

NOTE: Multi-commodity machines vending items such as candy, snacks, and pastry.

Itemized sales have been provided for the multi-commodity machines referenced in this solicitation; therefore, it is required that offerors list the sizes and prices on an item-by-item basis.

The total lowest dollar amount is considered to be most advantageous to the Postal Service.

c. Where portion sizes are shown by the Postal Service in the solicitation, they represent the minimum portion sizes that are acceptable. Where portion sizes are NOT shown, the offeror must cite the size or range of sizes offered.

d. Where a particular type of soft drink container/machine is specified, such as canned drinks, other types of container/machines will not be acceptable.

e. The Postal Service reserves the right to reject any or all offers, and to waive minor informalities or irregularities in offers received.

f. A written award (or Acceptance of Offer) mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall be deemed to result in a binding contract without further action by either party.

g. The quantities reflected in **Section A—Items and Prices**, are used for evaluation of contract award only. They may or may not indicate past usages and are not a guarantee of minimum sales.

Exhibit C, Part 2

Solicitation: Food Services

Manual Cafeteria

w/ Satellite Vending



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U.S. Postal Service Offer and Award (Food Services - Cafeteria)

- | | |
|---------------------|-------------------------|
| 1. Contract Number: | 2. Solicitation Number: |
| 3. Request Number : | 4. SOC/EC: |
| 5. Commodity Code: | |

- | | |
|------------------|--------------------------|
| 6. a. Issued by: | b. For Information Call: |
|------------------|--------------------------|

(no collect calls)

- | | |
|--|---------------------------------------|
| 7. a. Offeror/Contractor | b. Contact name: |
| | c. Telephone No: |
| | d. TIN: |
| | e. Parent TIN: |
| | TIN=Taxpayer Identification
Number |
| f. Remittance Name and/or Address: (If different from above) | |

- | | |
|---------------------------------------|----------------|
| 8. Delivery/Performance Requirements: | |
| a. Address: | b. Contact: |
| | c. Telephone: |
| | d. Start Date: |
| | e. End Date: |

Performance is for a three-year term beginning within sixty days after award and ending three (3) years after the start date. The Postal Service may extend the agreement for up to two additional one-year terms.

9. Items & Prices/General Description of Requirement:
The contractor agrees to provide food services in the form of a Cafeteria with a Satellite Vending Supplement subject to the representations, certifications, specifications, and contract clauses which are contained herein.

10. Signature: Offeror/Contractor	U.S. Postal Service
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Signature	Date	Signature	Award Date
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Typed or Printed Name of Person Authorized to Sign Offer	Title	Name of Contracting Officer
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Distribution: Original - File Copies - Contractor, COR(s), and Consignee(s)

U.S. Postal Service Solicitation: Food Services

1. Solicitation Number: 000000-00-A-0000

2. Solicitation Information:

a. Issue Date:

f. Return to Address:

b. Return Date:

c. Return Time:

d. Contact:

e. Telephone:

3. Offeror Name and Address:

4. Issued by:

5. Sealed offers (in original and _____ signed copies) for furnishing the supplies or services described in this solicitation will be received at the place specified (and, if hand-carried, in Room _____) until the date and time (local time of the place specified) shown in Block 2. All offers are subject to the provisions, representations, certifications, specifications and contract clauses which follow or which are incorporated by reference, whether or not all of such attached pages are returned with the offer.

6. Notes to Offerors:

The U. S. Postal Service intends to award a contract to provide Cafeteria services together with Satellite Vending Services at the U. S. Post Office, _____. Period of performance will be initially for three (3) years with two one-year options for a total of five (5) years.

7. In compliance with this solicitation the undersigned offers and agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the solicitation return date, to furnish any or all items upon which prices are offered at the same price set opposite each item, delivered at the designated point(s), within the time(s) specified in the solicitation.

Note: Offers must set forth full, accurate, and complete information as required by this solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.



Part 1—Schedule

Section A—Items and Prices

A.1 Estimated Sales (Cafeteria) (Clause OB-682) (December 1990)

The Postal Service estimates the annual sales for the cafeteria at \$ _____ .

A.2 Estimated Sale (Food Vending Service) (OB 635) (December 1990)

A.3 Items to be Vended (Food Vending Service) (Clause OB-636) (June 1988)

A.4 Acknowledgment of Amendments (Clause OB-199) (August 1988)

Section B—Specifications/Statement of Work**B.1 Scope of Operation (Clause OB-615) (June 1988)**

The contractor must establish and operate, in its name, the cafeteria facilities listed below, for the purpose of dispensing food, non-alcoholic beverages and such other items as may be authorized by the contracting officer, in accordance with all terms, conditions and attachments herein specified.

This cafeteria is to be operated for the benefit of approximately _____ employees who will be occupants in the buildings located at:

The Postal Service will not be held responsible for any variation from this employee population figure, since the extent of occupancy is not guaranteed.

B.2 Facilities (Clause OB-616) (June 1988)

- a. The area and location in the building is: _____
- b. The seating capacity is: _____
- c. The type of cafeteria required is: _____

B.3 Service to be Provided (Clause OB-620 - Alternate III) (June 1988)

The contractor shall provide a cafeteria whereby food is prepared on-site and obtained by employees through a serving line. The facility must be capable of providing a broad variety of prepared foods and beverages including hot meals.

Lunchcon meetings and special functions may be requested from time to time by the Postal Service.

Provide Satellite Vending services, locations and descriptions of services as cited in Section A.

B.4 Postal Service Duties (Clause OB-624) (June 1988)

a. Authority to Operate Facility. The Postal Service agrees to grant to the contractor for the stipulated period, subject to the contract requirements and conditions therein, the authority to establish, manage and operate a cafeteria in the Postal Service-owned building as described in 2, above, and in connection therewith to prepare and sell food, non-alcoholic beverages and such other products as the Postal Service may authorize.

b. Vending Facilities. The Postal Service reserves the right to permit the establishment of vending facilities to be operated by the following State licensing agency under the provisions of the Randolph-Sheppard Act (20 USC 107):

c. Passes for Contractor's Employees. The Postal Service agrees to provide the contractor and his employees with passes, when required, permitting access to and from the space reserved for the

operation of the cafeteria and to and from other parts of the building to which the performance of their duties requires that they have access. The Postal Service reserves the right, at any time, without notice or reason, to revoke passes issued to any employee of the contractor.

B.5 Scope of Work (Clause OB-625 - Alternate II) (June 1988)

a. Service. The contractor will operate and manage a cafeteria in the contractor's name at the Postal Service building. Patrons must be requested to remove trays, dishes and utensils from tables to dish carts that will be strategically located in the dining area (or to a conveyor belt as the case may be). The contractor will provide busing service to remove any remaining soiled dishes and assure that tables and chairs are cleaned before each patron is seated.

In connection with the sale of refreshments for special occasions, the contractor will be required to furnish thermal jugs, containers for sugar and cream, paper napkins, paper cups, and plastic spoons. Styrofoam cups with lids must also be provided for individual carry out service for beverages.

b. Menus. It must be the responsibility of the contractor to provide a variety of quality prepared foods. The variety of quality and appearance in the cafeteria on each operating day must be consistent with approved food service industry standards for comparable "in- plant" cafeterias.

The menu pricing and portion sizes as submitted in the contractor's proposal must be binding upon the contractor. Any change in price, portion size or additional items offered for sale must be subject to approval of the contracting officer.

Requests for changes in prices or portion sizes may be made and approved on the basis of a price range for various classes of food and beverages.

During each serving period, easy-to-read menus with prices listed must be prominently displayed for the information of patrons. Menus must be posted at or near the cafeteria entrance as well as near the serving lines.

c. Sanitation. All employees assigned by the contractor to perform work under each cafeteria contract must be physically able to do their assigned work and must be free from communicable disease. Each one must have a physical examination without cost to the Postal Service. The physician's health certificate giving the results, must be furnished to the contracting officer or his representative before the employee is assigned to duty. Medical certificates of all employees must be available at all times for inspection by an authorized representative of the Postal Service.

The above minimum requirements and local laws, codes, or regulations, requiring higher standards, if any, must be followed. All requirements of the Health, Education, and Welfare Food Service Sanitation Manuals, Nos. 546 and 943, must be complied with. These manuals are available free of charge from the nearest Regional Office of the Public Health Service, Department of Health, Education and Welfare.

d. Personnel. Unless the contractor is an individual who serves as his own full-time manager, he must employ a full-time, onsite manager who possesses the necessary qualifications to supervise the cafeteria effectively. The onsite manager must have previously had, at a minimum, two years of consecutive employment in a position with comparable responsibilities. The manger's qualifications (resume) will be subject to the approval of the Postal Service.

Each employee of the contractor must be a citizen of the United States of America, or an alien who has been lawfully admitted for permanent residence as evidenced by Alien Registration Receipt Card, Form I-151, or who presents other evidence from the Immigration and Naturalization Service that employment will not affect his immigration status.

e. Equipment and Utensils to be Provided by the Contractor. The contractor must provide all necessary equipment and utensils of the general character listed below and must replace such equipment and utensils when necessary because of loss, depreciation, or obsolescence.

- Chairs (cashier's, and office furniture and equipment)
- Chinaware and dishes
- Containers and cans (all types)
- Dispensers (napkins)
- Extractors (juice)
- Glassware
- Linen
- Office and money handling equipment, adding machines
- Platforms (skid or storage)
- Racks (cup, glass, and utensil)
- Scales
- Sharpeners
- Silverware
- Steam table and counter inserts
- Trash containers
- Trays
- Utensils and kitchenware
- Vehicle (motor)

A physical inventory must be made of all equipment provided by the contractor and be verified, approved, signed, and filed by the contracting officer's representative.

Trash must not be collected in cardboard or other combustible containers. Steel trash containers with plastic liners are acceptable.

All items provided by the contractor must be of good quality, suitable for the purpose of its intended use, and consistent with the quality of various items provided by the Postal Service.

All equipment furnished by the contractor must be subject to approval of the Postal Service.

f. Postal Service-Owned Equipment. The Postal Service will furnish for the use of the contractor all of the equipment of the general character listed as below:

- Bars (back)
- Boosters (hot water)
- Broilers
- Cabinets (fixed)
- Can washing equipment
- Carts (dish)
- Cold food holding equipment
- Condiment stands

Conveyors
Counters (including ice pans, display shelves, steam tables, urns)
Cupboards
Dining room tables and chairs
Dish lowerators
Dish washing machines
Dispensers (hot and cold drink)
Fans
Fountains (soda)
Fountains (water)
Freezers (all types)
Hoods
Hot food holding equipment
Ice dispensers
Ice making equipment
Ice maker/dispenser
Kettles (steam)
Lockers
Mixers (food, motor-driven)
Ovens (all types)
Peelers (motor-driven)
Plates (hot)
Rails (guide or tray)
Ranges
Refrigerators (all types and components)
Sinks and lavatories
Shelves
Slicers
Steamers (all types)
Stoves
Tables (cook's, bakers, disk, kitchen)
Toasters (all types)
Traps (grease)
Trucks (dish and hand)
Utensil stands
Waste disposal
Water metering devices
Other food service equipment that is constructed as part of the building and affixed to the structure.

The contractor is required to perform a preventive maintenance program on all Postal Service-owned equipment. In the event the contractor does not have a maintenance department or qualified maintenance personnel, the contractor is required to contract with a recognized food equipment maintenance company. The preventive maintenance will be in accordance with the manufacturer's suggested maintenance guide or the Postal Service maintenance guide for each individual piece of equipment. Within 30 days after receiving the required maintenance guides from the Postal Service, the contractor must submit to the Director/Manager, Plant Maintenance, an annual preventive maintenance schedule. The Director/Manager, Plant Maintenance, must review and approve the maintenance schedule.

The contractor will forward quarterly, to the Director/Manager, Plant Maintenance, the previous quarter's preventive maintenance work that was actually performed and the dates that each job was accomplished.

Failure of the contractor to perform preventive maintenance on the equipment may result in the Postal Service obtaining the services of a recognized maintenance company and billing the contractor for such services.

g. Miscellaneous Responsibilities

(1) The contractor's manager will be delegated the authority integral to the day-to-day effective operation of the cafeteria relative to personnel supervision and training, menu planning, purchasing, cost control, sanitation, etc. The contractor's manager will be replaced on 30 days' notice, upon request of the contracting officer for operational deficiencies determined to be a result of inferior direct management.

(2) The contractor must at all times provide an adequate staff of food service employees to perform the varied and essential duties inherent to a successful food service operation.

(3) The contractor must pay all employees not less than once every two weeks, and without deduction or rebate on any account except as provided or allowed by law.

(4) Employees of the contractor must be fully capable of performing the type of work for which they are employed.

(5) The contractor must provide adequate, trained relief personnel to substitute for his regular employees when they are absent in order that a high-quality food service will be maintained at all times.

(6) The contractor must require his employees to comply with such instructions pertaining to conduct and building regulations as are in effect for the control of persons in the building, or as may be issued for that purpose by Postal Service representatives.

(7) The contractor is required to schedule an employee training program that will continue for the duration of this contract and any extensions thereof, to ensure that their employees perform their jobs with the highest standards of efficiency and sanitation.

(8) All articles found by the contractor, his agents or employees, or by patrons and given to the contractor, must be turned in to the office as lost and found items.

(9) The contractor must refund monies lost in vending machines.

(10) All vending equipment must be checked, as required, and a record of service calls must be maintained and made available to the contracting officer. Emergency maintenance service must be available. Telephone numbers that should be called to obtain maintenance service must be posted near each vending machine.

(11) It is the intent of the Postal Service to make available to its employees products available from vending machines which are comparable in quality, quantity, and price to like products offered through the geographic area within which the installation is located. It is recognized, however, that the contractor may be required during the course of this contract to request economic adjustments in the

price of commodities vended. It is additionally recognized that, due to the limitations of vending machines concerning the acceptance of various types of coins, such adjustments might better be accomplished through the adjustments of the commission rate. Accordingly, when officially requested by the contractor and supported by all necessary financial back-up, the contracting officer will enter into negotiations with the contractor to adjust prices, commission rate, or both. Any agreed to adjustment must result in a formal modification to this contract. No adjustments in selling prices/commissions will be considered for at least one year from date of contract award. With fifteen (15) days after the end of each calendar month, the contractor must furnish to the COR, with a copy to the CO, a report for the previous month, of (a) the number of items vended for each category, (b) gross dollar income, and (c) amount of commission to be paid to the Postal Service. A check for the previous month's commission and a P&L statement with monthly and year-to-date totals must accompany the reports delivered to the COR with copies to the contracting officer.

(12) The contractor must utilize generally accepted accounting principles and practices and must maintain for the purposes of this agreement, such accounting records as may be satisfactory to the contracting officer.

B.6 Cleaning and Janitorial Services (Clause OB-626) (June 1988)

a. The contractor agrees to furnish all labor, supplies, materials, equipment, and supervision sufficient to maintain the cafeteria concession areas in a clean, orderly and sanitary condition at all times. Before beginning work the contractor must submit to the Director/Manager, Plant Maintenance, a list stating the name of the manufacturer and the brand name of the materials that he proposes to use in the performance of this work. He must not use in connection with the work of this contract, any material which the Director/Manager, Plant Maintenance, determines would be unsuitable for the purpose, or harmful to the surfaces to which it is to be applied.

b. Equipment used in the performance of the cleaning and janitorial services must be of the type and of sufficient capacity to assure high quality work, and must meet with the approval of the Director/Manager, Plant Maintenance.

c. The food service contractor must be responsible for the maintenance of the dining room floors and may subcontract with a qualified commercial cleaning contractor to accomplish this work. Resilient tile floors are to be spray buffed weekly and thoroughly stripped and waxed every three months. Alternate floor maintenance systems which will achieve the same results may be substituted subject to the approval of the contracting officer.

Carpeted floors are to be vacuumed and spot cleaned daily and shampooed as required to maintain appearance and minimize wear and deterioration.

If floor maintenance is to be performed by a subcontractor, a copy of the subcontract is to be forwarded to the contracting officer within 30 days of receipt of notice to proceed.

d. The Postal Service must be responsible for the cleaning of all exterior windows (outside and inside thereof).

e. Cleaning and janitorial services must be performed on a regular schedule and must meet the highest standards of sanitation of the contracting officer. The following cleaning schedule is to be followed. The frequencies are minimum, which must be increased at the request of the contracting officer.

Daily

1. Sweep and damp mop kitchen - including walk-in coolers.
2. Sweep, damp mop and spray buff, as required, resilient tile in dining area.
3. Clean tray rails and glass sneeze guard over serving line.
4. Spot clean tile walls and posts in dining and kitchen areas.
5. As required, empty trash and rubbish cans at a location designated by the Director/Manager plant maintenance for removal from the premises by the Postal Service.
6. Steam clean trash cans and trucks or dump-containers.
7. Damp wipe all doors and windows.
8. Thoroughly clean inside of all dishwashers, coffee urns, beverage dispensers, hot and cold, food troughs, conveyor belts, etc.
9. Clean restrooms and locker rooms.
10. Vacuum carpet and spot clean any soiled areas.

Weekly

1. Thoroughly clean chairs and table pedestals.
2. Steam clean tray stands.
3. Clean hoods and filters in kitchen.
4. Thoroughly wash entire cafeteria receiving dock and trash room.
5. Spot clean carpet.
6. Spray wax and buff resilient floors as necessary to maintain their appearance.

In most cases where the Postal Service trash, rubbish or garbage disposal activity (contract or force account) does not provide for the frequency required for cafeteria garbage disposal, the following applies:

“Contractor must dispose of all trash, rubbish, or garbage. In so doing he must comply with Federal, State, and local laws and regulations pertaining to the environment.”

Monthly

Clean all portable fans.

Quarterly

1. Thoroughly strip and wax all resilient tile floors.
2. Shampoo carpet as required.

Semiannually

1. Perform high cleaning of pipes, louvers.
2. Thoroughly clean the tile walls in kitchen and dining areas.
3. Wash venetian blinds, if any.
4. Thoroughly clean all fans, ventilating grills and ventilators.

Annually

1. Dry clean drapes, if any.

The contracting officer may require additional cleaning as he deems necessary. No work may be performed on weekends or Federal holidays without prior approval of the Director/Manager, Plant Maintenance.

Failure to keep any of the facilities in a clean condition satisfactory to the contracting officer, may result in the withdrawal of the privilege of using such facilities or the contracting officer may have the facility cleaned by other means and the cost of such work charged to the contractor. The Postal Service will not be responsible in any way for damage or loss occasioned by fire, theft, accident, or otherwise, to the contractor's stored supplies, materials, or equipment, or his employees' personal belongings.

f. Employee Locker Rooms. When locker rooms are available, the contractor must require his employees to change their clothing in the locker rooms provided for that purpose and to maintain the room in a neat and clean condition.

g. Employee Clothing. The contractor's employees must wear proper uniforms, including hair nets and/or food handler hats during the time they are performing their duties in the building. Legible employee name plates showing the first and last name of the employee must be provided for each employee.

Section C—Delivery/Performance**C.1 Days and Hours of Service (Clause OB-619 - Alternate I) (June 1988)**

a. Cafeteria service will be provided as indicated below, except on holidays observed by the Postal Service.

b. Any request for modifying the hours or days of service should be submitted for approval of the contracting officer.

Number of days per week: _____

Required days of service: _____

Required hours of service: _____

Tour 1 From to

Tour 2 From to

Tour 3 From to

C.2 Contract Period (Clause OB-622) (December 1990)

Within 60 days after notice of award, the contractor must organize the business, procure necessary equipment, and have a complete organization ready to begin full operation as provided herein. The specific beginning date is to be directed by the contracting officer. The contract must be for a period of 3 years effective with the beginning date specified in the notice to proceed, subject, however, to the rights of termination set forth in the contract. At the option of the contracting officer, it may be extended thereafter for one-year terms by written supplemental agreements between the contracting parties, provided, that a written notice must be given to the contractor by the contracting officer at least 120 days before the contract, or any extensions thereof, would otherwise expire and the contractor accepts the agreement within 30 days of receipt thereof. In no event may the contract period, including extensions, exceed a period of 5 years.

Section D—Packaging and Marking

[For this document, there is no text in this section]

Exhibit C, Part 2, Section D

Section E—Inspection and Acceptance

E.1 Contracting Officer's Representative (Clause OB-547) (June 1988)

Section F—Payment and Funding

F.1 Payment in lieu of Rental (Clause OB-631) (June 1990)

F.2 Payment of Commissions (Clause OB-645) (May 1989)

The contractor must submit a check for the previous month's commission, and a "Profit and Loss" statement with monthly and year-to-date totals for the satellite vending portion of the contract. Make checks payable to the postmaster and deliver to the contracting officer's representative (COR).

Part 2—Clauses and Attachments**Section G—Special Clauses****G.1 Wage Determination (Clause OB-121) (Alternate I) (January 1991)****G.2 Termination on Notice - Cafeteria (Clause OB-581) (Alternate 1) (June 1990)**

a. This contract may be terminated, in whole or in part, by either party upon 120 days' written notice. In the event of such termination, neither party will be liable for any costs, except for payment in accordance with the payment provisions of the contract for the actual services rendered prior to the effective date of the termination. The contractor must be responsible for all losses and damages to the Postal Service resulting from his/her default or failure, but may remove or dispose of his/her equipment and property, subject to any Postal Service liens on such equipment and property, to satisfy any claims against the contractor which are not satisfied by his surety. When, in the contracting officer's judgment, the interests of the Postal Service require such action, the contract may be terminated by the contracting officer, giving the contractor one day's notice in writing.

b. At the time of termination of this contract, or extensions thereof, all Postal Service-owned equipment must be returned to the Postal Service in good condition, ordinary wear and tear excepted.

G.3 Access Control of Non-Postal Personnel (Clause OB-583) (June 1988)**G.4 Repair/Replacement (Clause OB-601) (June 1988)**

As used throughout this contract the following terms have the meanings indicated.

a. **Major Repairs to Equipment.** A major repair to equipment is a repair made at one time, which costs 10% or more of the depreciated value of the equipment repaired, but not less than \$50.

b. **Replacement of Major Component Parts.** Replacement of major component parts is the replacement of parts at one time, at a total cost which equals or exceeds 10% of the depreciated value of the equipment involved, but which is not less than \$50.

G.5 Responsibilities of the Postal Service (Food Services) (Clause OB-602) (June 1988)

At the beginning of the contract period, the Postal Service will provide space for operations under the contract, as indicated and described in the Scope of Work and thereafter, such space as it may deem necessary or desirable. It will provide adequate ingress and egress, including a reasonable use of existing elevators, corridors, passageways, driveways, and loading platforms. It will, as it deems advisable, provide space heating, space lighting, ventilation, and the utilities. In addition it will:

a. Make such improvements and alterations as it may deem necessary or desirable to prepare or recondition assigned space for its intended purpose, including improvements and alterations necessary to conform to applicable health and sanitary requirements.

b. Maintain and repair the building structure in areas assigned for the contractor's use, including painting and redecoration, the maintenance of gas, water, steam, sewer, and electrical lines, ventilation,

and existing air conditioning lines (if any), all to the point of connection with food service equipment or to the point of outlet in concession areas, if not so connected; electrical lighting fixtures (including relamping); space heating systems; floors and floor coverings, and walls and ceilings; provided, that the contractor will bear the expenses of repairs necessary because of its own or its employee's negligence.

c. At its own expense, provide, install, and permit the contractor to use the equipment listed in or attached to the contract, and additional equipment of a similar type when required for expansion approved by the contracting officer; provided, that equipment no longer needed for the contract operations may be withdrawn by the contracting officer. The Postal Service will replace equipment which it has provided, as it deems necessary. Subject to adequate day by day maintenance of equipment by the contractor, the Postal Service will replace major component parts of, and make major repairs to, such equipment. Ownership of equipment provided under this article will be vested in the Postal Service.

G.6 Responsibilities of the Contractor (Clause OB-603) (June 1988)

a. The contractor must provide prompt, efficient and courteous service and avoid undue interference with the operation of buildings in which services are provided. The contractor must obtain licenses and permits as required by State and local authorities, and must observe all applicable building, health, sanitary, and other regulations and laws. The contractor must use reasonable care in the use of space and Postal Service-owned equipment and, upon contract termination, yield such space and equipment in as good condition as when received, except for ordinary wear and tear, and damage or destruction beyond its control and not due to its fault or negligence. The contractor also must provide all required equipment and utensils which are not provided by the Postal Service and must replace equipment and utensils thus provided when necessary because of wear, breakage, or obsolescence. Equipment and utensils provided by the contractor must be of a quality in keeping with that provided by the Postal Service, as determined by the contracting officer. The contractor must adjust, repair, and continuously maintain in a satisfactory condition, all equipment and utensils used under the contract, regardless of whether provided by the Postal Service or by itself.

b. The contractor must furnish to the contracting officer, or require its disposers to furnish, a certification from an Animal Disease Eradication Branch representative of the U. S. Department of Agriculture that it possesses adequate and approved garbage sterilization equipment. It must warrant that all garbage resulting from operations under the contract will be sterilized not less than 30 minutes at 212 degrees F., before being fed to swine.

c. The contractor must maintain an effective program for the extermination of rodents and vermin in areas assigned for its use, and must coordinate this program with the extermination programs conducted by the building custodial forces. It must provide janitorial service (including the waxing of floors, and cleaning of all types), disposal services, other essential services, supplies, and good quality foods and commodities, as necessary for adequate and satisfactory service. Before beginning cleaning or waxing, the contractor must submit to the Director/Manager, Plant Maintenance, a list giving the name of the manufacturer and the brand name of each of the materials it proposes to use for cleaning. No materials may be used unless approved by the Director/Manager, Plant Maintenance.

d. It also must employ sufficient and suitable personnel, secure and maintain insurance, maintain records, submit reports, and observe other contract requirements, all as more specifically set forth hereinafter. The contractor must pay each and every fee, cost, or other charge incident to or resulting from operations under the contract. This includes payments to the Postal Service, as required in this contract.

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e. The contractor must not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any food service facility, including any and all services, privileges, accommodations, and activities provided thereby.

G.7 Right and Authority of the Postal Service (Clause OB-604) (June 1988)

a. Subject to the detailed contract requirements menus, recipes, the quality of food and services, prices charged, the type, quantity, and condition of equipment, and all other phases of operations must be subject to the review and approval of the contracting officer at all times.

b. The Postal Service will have the right to send its representatives into areas assigned for the contractor's use, at any time, for inspections or other purposes approved by the contracting officer. Right is reserved to use dining areas and other public spaces at other than serving periods, for meetings of Postal Service employees or other assemblies; provided, that after each such use the space will be cleaned and rearranged without expense to the contractor.

c. The contracting officer may require dismissal from the work of employees which it deems incompetent, careless, insubordinate, unsuitable or otherwise objectionable, or whose continued employment it deems contrary to the public interest or inconsistent with the best interests of national security. The contractor must fill out and cause each of his employees on the contract work to fill out, for submission to the Postal Service, such forms as may be necessary for security or other reasons. Upon request of the contracting officer, the contractor and its employees must be fingerprinted by Postal Service personnel assigned to that duty.

G.8 Restrictions (Clause OB-605) (June 1988)

a. Unless otherwise permitted by the contracting officer, the contractor must not install and/or operate any automatic vending equipment other than that specified in the contract, remove any USPS-owned equipment from the premises (except for repair), advertise the contract operations in any manner, make sales on other than a cash basis, or prepare foods and beverages on the premises-for sale at any location not covered by the contract.

b. Since the facilities to be provided hereunder are for the benefit and convenience of postal employees, patronage from other sources which will interfere with such purposes may be regulated or prohibited by the Postal Service.

G.9 Quality and Sanitation (Clause OB-606) (June 1988)

a. The contractor must serve tasty, appetizing, and quality food, under clean and sanitary conditions in accordance with the provisions and recommendations contained in the Food Service Sanitation Manual, Public Health Service Publication No. 934. USDA commercial-graded beef or USDA good-graded lamb may be used for pot roasts and stews. Otherwise, only first quality foods, such as grade AA eggs, grade A poultry, U.S. choice grades of beef, U.S. no. 1 grade pork, grade A or fancy fresh or frozen vegetables and fruits and grade A or B canned goods must be used.

All foods served must be wholesome and free from spoilage, free from adulteration and misbranding, and safe for human consumption.

Uncooked items, such as fresh fruits, must be clean and free from blemish. All foods must, when served, be attractive in appearance and correct in temperature and consistency. They must be crisp, moist, dry, tender, etc., as may be appropriate in each case.

b. Vending machines operated under the contract must be constructed, maintained, and operated in accordance with the recommendations of Public Health Service Publication No. 546.

c. Each food handler must be required to pass a medical examination prior to commencing employment to determine that it has no communicable disease, and must be reexamined should the Postal Service direct. Those found or suspected to be suffering from a communicable disease must be removed from duty immediately. All medical examinations must be without expense to the Postal Service.

d. To facilitate the maintenance of sanitary conditions throughout the buildings served, the contractor must, if so requested by the contracting officer, sell take-out beverages and liquid foods in disposable containers with disposable tops or covers.

G.10 Personnel and Supervision (Clause OB-607) (June 1988)

a. The contractor must employ sufficient personnel to maintain sanitary conditions and satisfactory service which will ensure prompt and efficient service both at the serving line and for bussing at all times. It must not, in connection with work performed under the contract, employ any person undergoing sentence of imprisonment at hard labor. All employees must be sober, conscientious, competent, neat, and courteous.

b. Unless the contractor is an individual who serves as his/her own full-time manager, it must employ a full-time general supervisor in each cafeteria operated under the contract. Adequate supervision also must be provided in other food establishments authorized under this contract. A representative of the contractor, other than the above supervisors, must visit all facilities periodically, at times agreed upon by the Postal Service and the contractor for general supervisory purposes; and a representative of executive status must visit the facilities to adjust matters requiring attention upon 48 hours' advance notice from the Postal Service.

c. The contractor's employees must wear a distinctive item of clothing such as a badge, cap, armband, blouse or uniform as a means of identification during the time they are in the building.

G.11 Inspections (Clause OB-608) (June 1988)

Facilities operated under the contract will be inspected periodically by representatives of the Postal Service and, when circumstances warrant, by representatives of local health departments. After each inspection the contractor will be advised of unsatisfactory conditions for which it is responsible. Deficiencies thus reported must be corrected promptly by the contractor.

G.12 Equipment Records (Clause OB-609) (June 1988)

The contractor must acknowledge in writing to the contracting officer receipt of the Postal Service-owned equipment. At the beginning of the contract period, it must submit to the contracting officer a list of the equipment and utensils which it will provide. Throughout the contract period, and extensions thereof, it must maintain current records of all equipment and utensils used in the contract operation, properly indicating thereon all additions, replacements, and removals.

G.13 Delegation of Authority (Clause OB-610) (June 1988)

The parties to this contract may, in their discretion, delegate to others within their respective organizations any of their ministerial functions in connection with this contract.

G.14 Protection of Information (Clause OB-584) (June 1988)

The contractor must keep confidential and must not disclose, except as may be authorized or directed by the contracting officer, any information on individuals kept by or on behalf of the Postal Service with which the contractor may come in contact as a result of the contract performance.

G.15 Notices (Clause OB-612) (June 1988)

Any notice hereunder will be deemed to have been sufficiently given, when if given by the contracting officer to the contractor, it must be sent by registered or certified mail addressed to the contractor at the business address shown on its offer and when if given by the contractor to the contracting officer, must be sent by registered or certified mail addressed to the contracting officer at the address set forth in the contract.

G.16 Modification of Contract (Clause OB-613) (June 1988)

Modifications of the terms of the contract may be made by mutual agreement in writing between the parties thereto. Any change that results in benefit to the contractor should be accompanied by an appropriate adjustment of the contract terms in favor of the USPS. Conversely, if the change affects the contractor's operations to the extent that they are less profitable to him, it must be accompanied by an appropriate adjustment of the contract terms in the contractor's favor.

G.17 Indemnification (Clause OB-614) (June 1988)**G.18 Use of Facilities (Clause OB-621) (June 1988)**

The physical facilities made available to the contractor under this contract must not be used in connection with operations not included in the contract. Conversely, however, the contractor may, if he desires, utilize centralized food preparation and storage sources located elsewhere from which distribution is made to facilities operated by the contractor, including the facilities included in this contract. Prices charged to the operation for items obtained from these sources must not exceed the actual cost of procurement and/or storage, preparation and distribution.

G.19 Terms of Contract (Clause OB-623) (June 1988)

a. General. (1) The contractor must maintain his menu pricing structure in such a manner so as to result in combined net profit and general administrative expenses not to exceed 15% of gross cafeteria revenue (excluding any revenues from vending machine commissions or amounts in lieu thereof) from the operation on an average annual basis. (2) If the successful contractor is a person or firm that does not have a parent, central, home or regional layer of organizational structure, the general administrative expense must be eliminated or reduced.

b. Definition of Gross Revenue. Gross cafeteria revenue consists of the total receipts received from operations under this contract, from any source, including receipts from the sale of services and

supplies, but excluding all vending machine commissions or amounts in lieu thereof, and, all sales, use or other taxes collected directly from patrons.

c. Procedures. The contractor must furnish copies of his monthly (or four week) profit and loss statement to the contracting officer within twenty days after the end of the monthly (or four week) period. The profit and loss statement must be submitted on the attached Attachment 1, Monthly (or Four Week) Profit/Loss Statement for Food Service Contracts (Cafeteria), or a substantially similar report. The contracting officer or his representatives (auditors) must annually, or more frequently if necessary, examine all phases of the financial operation of the cafeteria. Monthly physical inventories of all food stocks on hand, taken by the contractor, are desirable for reporting purposes as backup for the profit and loss statement, but as a minimum, a physical inventory must be taken each quarter. Periodic reviews, conducted jointly by representatives of the contractor and the Postal Service, must be made to ensure that the staffing pattern, menu pricing structure, and other phases of the operation are arranged on the most efficient basis, to the end that the contractor does not realize an excessive net profit and that Postal Service employees are provided with high quality and convenient food service, under sanitary and healthful conditions, at the most reasonable prices possible. (For the purpose of this clause, a net profit of 4-6% will not be considered excessive.)

It is the intent of this contract that any excess of allowable profit or administrative expense be reflected in lower food cost to patrons. If, however, at the expiration or termination of the contract the audit shows that the 15% combined net profit and administrative expense is exceeded, such excess must be payable to the Postal Service. If the annual audit shown that less than 15% net profit and administrative expenses accrues to the contractor or, that the contractor actually incurs a loss, the contractor must absorb such deficit or loss and the Postal Service must not in any way be liable therefor. In the event the audit shows that the contractor is making a marginal profit or incurring a loss, equitable adjustments may be negotiated to permit a fair margin of profit in accordance with this paragraph (c).

d. Operating Expenses. The contractor is permitted to incur the usual type of operating expenses for cafeteria services. Operating expenses are the actual net costs after deduction of trade discounts, cash discounts, rebates, etc., which accrue or which the contractor becomes obligated to pay because of operations under the contract.

These expenses may include, but are not limited to, the cost of foods sold, salaries and wages, janitorial services, repairs and preventive maintenance to the Postal Service and contractor-owned equipment, depreciation, telephone service, laundry, postage, insurance, transportation of goods, payment in lieu of rental, supplies and materials, rentals of equipment, workmen's compensation, payroll taxes, other taxes and licenses, employee benefits, etc.

The following are not allowable as operating expenses under the terms of the contract, as provided in paragraph (d), above, but are to be recovered as part of the administrative expense:

- (1) Payroll computations and disbursements of employee salaries.
- (2) Wages and salaries of home-office employees and general administrative, executive, and management officials for general supervision of the contract.
- (3) Accounting expenses, including costs of preparing financial reports.
- (4) Supervision of facilities by contractor's home office personnel.

(5) Other wages and salaries to the extent that they exceed those normally paid for similar work in the locality, unless such excess is approved by the contracting officer.

(6) Home office management costs, such as general management overhead, transportation of management personnel, and any other indirect management costs, as related to this contract.

(7) Repairs necessary as the result of negligence of the contractor or his employees.

(8) Payment for forms and other supplies of stationery.

(9) Other expenses incurred without the approval of the contracting officer.

e. Depreciation. The principles set forth in subparagraphs (1) through (7) below must be used, except that smallwares (china, silverware, pots and pans, serving utensils, trays, etc.) must be treated as follows:

The initial inventory of smallwares must be depreciated on a straight line basis over a period of 5 years, regardless of the life of the contract. Replacement of lost or damaged items must be capitalized and depreciated on the same basis.

1. Depreciation is a charge to current operations which distributes the cost of a tangible asset, less estimated residual value, over the estimated useful life of the asset in a systematic and logical manner. It does not involve a process of valuation. Useful life has reference to the prospective period of economic usefulness in the particular contractor's operations as distinguished from physical life and shall be evidenced by the actual or estimated retirement and replacement practice of the contractor.

2. Normal depreciation on a contractor's plant, equipment, and other capital facilities is an allowable element of contract cost provided the contractor is able to demonstrate that such costs are reasonable and properly allocable to the contract. Subject to sub-paragraphs e.3 through e.7 of this clause.

(a) Depreciation will ordinarily be considered reasonable if the contractor follows depreciation policies and procedures which:

(i) Are consistent with the policies and procedures he follows in the same cost center in connection with his business other than Postal Service business;

(ii) Are reflected in his books of account and financial statements; and

(iii) Are used by him for Federal income tax purposes, and are acceptable for such purposes.

(b) Where the depreciation reflected on a contractor's books of account and financial statements differs from that used and acceptable for Federal income tax purposes, reimbursement shall be based upon the cost of the asset to the contractor, amortized over the estimated useful life of the property, using depreciation methods (straight line, sub of the years' digits, etc.) acceptable for income tax purposes. Allowable depreciation shall not exceed the amounts used for book and statement purposes and shall be determined in a manner consistent with the depreciation policies and procedures followed in the same cost center in connection with the contractor's business other than Postal Service business.

(c) Depreciation for reimbursement purposes in the case of tax-exempt organizations shall be determined on the basis outlined in paragraph 2.(b) above.

3. Special considerations are required for assets acquired prior to the effective date of this principle, the undepreciated balance of such assets, resulting from depreciation policies and procedures used previously for Government contracts and subcontracts, is different from the undepreciated balance of such assets on the books and financial statements. Generally, the undepreciated balance for contract cost purposes shall be depreciated over the remaining life using the methods and lives followed for book purposes. The aggregate depreciation on any asset allowable after the effective date of this clause shall not exceed the cost basis of the asset less any depreciation allowed or allowable under prior procurement regulations.

4. Depreciation should usually be allocated to the contract and other work as an indirect cost. The amount of depreciation allowed in any accounting period may, consistent with the basic objectives set forth in paragraph 1. of this clause, vary with volume of production or use of multi-shift operations.

5. No depreciation, rental, or use charge shall be allowed on property acquired at no cost from the Government by the contractor or by any division, subsidiary, or affiliate of the contractor under a common control.

6. The depreciation on any item for allowance at a price may be based on such price, provided the same depreciation policies and procedures are used for costing purposes for all business of the using division, subsidiary, or organization under common control.

7. No depreciation or rental shall be allowed on property fully depreciated by the contractor or by any division, subsidiary, or affiliate of the contractor under a common control; however, a reasonable charge for the use of fully depreciated property may be agreed upon and allowed. In determining this charge, consideration should be given to cost, total estimated useful life at time of negotiation, effect of any increased maintenance charges or decreased efficiency due to age, and the amount of depreciation, if any previously charged to contracts or subcontracts.

f. Records. The contractor must maintain such accounting records in connection with operations under this contract as are satisfactory to the contracting officer. He must take all necessary precautions to assure that all income received from any source (except from automatic vending machines) is immediately recorded through cash register sales tickets and that all expenditures are supported by appropriate vouchers.

G.20 Security Requirements (Clause OB-627) (June 1988)

The contractor will be responsible for the security of all areas under his jurisdiction. Designated employees must have the responsibility for determining that all equipment has been turned off, that windows are closed, lights and fans turned off, and doors locked when the cafeteria is closed. This should be a matter of a daily report to the security force upon leaving the building. A key must be available for emergency use only in either the security office or the maintenance office of the building.

G.21 Hazardous Conditions (Clause OB-628) (June 1988)

The contractor will be responsible for the security of all areas under his jurisdiction. Designated employees must have the responsibility for determining that all equipment has been turned off, that windows are closed, lights and fans turned off, and doors locked when the cafeteria is closed. This should be a matter of a daily report to the security force upon leaving the building. A key must be available for emergency use only in either the security office or the maintenance office of the building.

G.22 Fire and Civil Defense Drills (Clause OB-629) (June 1988)

The contractor must notify the fire department in the event of a fire. All of the contractor's employees must be organized and trained to participate in fire and Civil Defense drills, including the reporting of fires. This must be accomplished with the cooperation of the Director/Manager, Plant Maintenance, and the building self-protection plan developed in accordance with the GSA Handbook Disaster Control and Civil Defense in Federal Buildings (PBS P2460.1A). A copy of this handbook is available in the office of the Director/Manager, Plant Maintenance. Any personal injury or physical damage to the building or equipment resulting from fire or other causes must be reported to the security force; damage to the building or equipment must be reported to the maintenance control office.

G.23 Worker's Compensation (Clause OB-630) (June 1988)

The contractor must comply with all applicable federal and state laws with regard to liability arising or resulting from injury to or death of his employees in performing the work under this contract, must save and hold the Postal Service harmless in connection with any and all such claims arising during the term of the contract, and must carry worker's compensation insurance as required by the laws of the state in which the facility is located.

G.24 Performance Bond (Clause OB-632) (Alternate 1) (December 1990)

The contractor must provide a performance bond in the amount of \$_____ to the contracting officer to cover equipment supplied by the U.S. Postal Service.

G.25 Contract Modification (Food Vending Service) (Clause OB-638) (June 1988)

Section H—General Clauses**H.1 Clauses Incorporated by Reference**

The following clauses are incorporated by reference as if set forth in full text. The requirements of these clauses may be found in Publication 41, *Procurement Manual*, references shown in parentheses.

CLAUSE NUMBER	DATE	TITLE
6-1		Bankruptcy (PM 6.2.7)
10-1		Participation of Small, Minority-Owned, and Woman-Owned Businesses (PM 10.1.5)
10-3		Convict Labor (PM 10.2.2)
10-4		Contract Work Hours and Safety Standards Act - Overtime Compensation (PM 10.2.3)
10-7		Contract Work Hours and Safety Standards Act - Safety Standards (PM 10.2.4)
10-9		Equal Opportunity (PM 10.2.7)
10-12		Service Contract Act (PM 10.2.10)
10-15		Affirmative Action for Handicapped Workers (PM 10.2.11)
10-16		Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (PM 10.2.12)
10-19		Clean Air and Water (PM 10.4.2)
10-20		Drug-Free Workplace (PM 10.5.4)

H.2 Definitions (Clause B-1)**H.3 Changes (Clause B-2)****H.4 Claims and Disputes (Clause B-9)****H.5 Examination of Records (Clause B-14)****H.6 Invoices (Clause B-20)****H.7 Advertising of Contract Awards (Clause B-25)****H.8 Protection of Postal Service Buildings, Equipment, and Vegetation (Clause B-26)****H.9 Performance at Occupied Postal Premises (Clause B-27)****H.10 Officials not to Benefit (Clause 1-4)****H.11 Gratuities (Clause 1-5)****H.12 Contingent Fees (Clause 1-6)****H.13 Postal Service Property—Short Form (Clause 2-12)**

H.14 Insurance (Clause 7-4)

H.15 Federal, State, and Local Taxes (Short Form) (Clause 7-7)

H.16 Fair Labor Standards Act and Service Contract Act—Price Adjustment (Clause 10-14)

H.17 Assignment of Claims (Clause B-8)

H.18 Laws and Ordinances (Clause OB-585) (June 1988)

Section I—List of Attachments

Attachment No.	Title	No of Pages
1	Proforma Operating Statement/P & L Statement	
2	Summary Chart of Weekly Staffing	1
3	Offeror's Statement of Qualifications and Financial Information	3
4.	Representative Menu (Provided in SOW)	
5.	Cafeteria Layout & Storage Room Layout (Provided in SOW)	
6.	Performance Bond (If Necessary)	

Part 3—Solicitation Provisions**Section J—Instructions to Offerors****J.1 Preparation of Proposals (Food Services) (Cafeteria) (Provision OA-603) (June 1988)**

- a. Each offeror must furnish the information required by the solicitation. The offeror must sign the proposal and print or type its name on the proposal and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the proposal.
- b. The following information under the respective rating categories must be provided:

I. Sanitation Practices.

Include standards, operating requirements, sanitation training programs, inspection procedures, frequency schedules, and management reports. If subcontracting is anticipated for any cleaning or maintenance services, state which services will be required and yearly cost projections.

II. Personnel Staffing and Management.

Provide a comprehensive and detailed staffing chart for the operation of this facility. Provide the company's organization chart showing the chain of command of supervision and staff that will supplement the unit management. Provide background and qualification of the on-site manager to be assigned to the operation if awarded the contract, and a brief resume on the key managers listed in the chain of command. Provide policies and procedures relative to employee and management training programs.

III. Menu Prices, Portion Sizes, and Management Controls.

State the company's pricing policies and procedures for establishing portion sizes and prices. Provide a complete price and portion book to include the portion sizes and selling prices for all items in your pricing guide. Include breakdown of sales price per ounce, slice or other measurable unit as well as sales price per portion. Indicate management support and production systems designed to control portion sizes and food costs, including procurement policies, discount and inventory control, quality assurance programs and other pertinent information.

IV. Menu Variety.

State the length of the company's menu cycle and how often it changes throughout the year. Provide the complete menu cycle that will be implemented, showing selling prices and anticipated food cost/price ratio (percentage) for each menu item. Include the company's policy for featured specials, promotional events and merchandising practices. Summarize the number of daily items under each food category, such as number of daily items under each food category, such as number of luncheon entrees, vegetables, salads, desserts, beverages, soups, bread and rolls, breakfast items, sandwiches, specials, grill items, etc. Summarize the total number of different items in each category for the complete menu cycle.

V. Budget (pro forma), Accounting System, and Controls.

Provide a projected annual operating budget (profit and loss statement) with a written explanation of how each line was developed, including the estimated customer participation check average, and sales for each meal period. The company's pro forma should be based on operating days and calendar year indicated. Describe accounting systems and procedures. Include samples of management reports, and other control checks with planned frequency schedules.

c. Proposals are to be documented and bound in one volume, with sections tabbed under the heading and content as shown in Section M, Provision OA-604, Evaluation Criteria (Food Services) (Cafeteria). Each offeror is required to submit an original and 3 copies of the basic proposal.

d. When prices are required in Section A, they will be evaluated as part of the entire proposal.

J.2 Submission of Proposals (Provision A-2)**J.3 Modification or Withdrawal of Proposals (Provision A-3)****J.4 Late Submissions and Modification of Proposals (Provision A-4)****J.5. Acknowledgment of Solicitation Amendments (Provision A-5)****J.6. Explanation to Prospective Offerors (Provision A-6)**

Section K—Solicitation Notices and Provisions

K.1 Order of Precedence (Provision A-11)

K.2 Postal-Furnished Property or Services (Provision A-12)

K.3 Labor Information (Provision A-13)

K.4 Failure to Submit Proposal (Provision A-14)

K.5 Protests (Provision A-15)

K.6 Notice of Intent to Award Without Discussions (Provision A-19)

Section L—Representations and Certifications

- L.1 Certificate of Independent Price Determination (Provision 1-1)**
- L.2 Contingent Fee Representation (Provision 1-2)**
- L.3 References (Provision OA-502) (June 1988)**
- L.4 Type of Business Organization (Provision A-20)**
- L.5 Parent Company and Taxpayer Identification Number (Provision A-21)**
- L.6 Authorized Negotiators (Provision A-22)**
- L.7 Place of Performance (Provision A-23)**
- L.8 Certification of Nonsegregated Facilities (Provision 10-3)**
- L.9 Equal Opportunity Affirmative Action Program (Provision 10-4)**

Section M—Evaluation and Award Factors**M.1 Contract Award (Provision A-8) (Alternate I) (June 1988)**

The Postal Service intends to award a contract to the responsible offeror whose proposal will be most advantageous to the Postal Service, considering cost or price and other factors specified elsewhere in this solicitation.

M.2 Award Without Discussions (Provision A-9)**M.3 Evaluation Criteria (Food Services Cafeteria) (Provision OA-604) (June 1988)**

The criteria indicated below will be used in evaluating offers to determine to whom the award will be made.

Maximum Score

A. Sanitation Practices.

Sanitation maintenance programs, as evaluated by the U. S. Public Health Service and/or applicable State and local health agencies.

B. Personnel Staffing and Management.

Personnel staffing, including the proposed manager.

C. Menu Prices, Portion Sizes, and Management Controls.

D. Menu Variety:

Menu variety, based on length of menu cycle, daily menu pattern, food quality, and appearance.

E. Budget (pro forma), Accounting System, and Controls.

Projected annual operating budget (pro forma) for the cafeteria, and adequacy of budget and accounting system and controls.

TOTAL

1000

Exhibit C, Part 3

Solicitation: Food Services

Satellite Vending



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U.S. Postal Service Offer and Award (Food Services—Satellite Vending)

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- A.2 Items to be Vended (Food Services) (Clause OB-636) (June 1988)
- A.3 Acknowledgment of Amendments (Clause OB-199) (August 1988)

Section B - Specifications/Statement of Work

- B.1 Scope of Work (Clause OB-633) (June 1988)
- B.2 Auxiliary Equipment (OB-646) (May 1989)

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- C.1 Period of Performance (Food Vending Services)(Clause OB-639) (June 1990)

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- F.1 Payment in lieu of Rental (Clause OB-631) (June 1990)
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Part 2—Clauses and Attachments

Section G - Special Clauses

- G.1 Wage Determination (Clause OB-121 - Alternate I) (January 1991)
- G.2 Termination on Notice (Clause OB-581) (Alternate I) (June 1988)
- G.3 Access Control of Non-Postal Personnel (Clause OB-583) (June 1988)
- G.4 Indemnification (Clause OB-614) (June 1988)
- G.5 Contract Modification (Food Vending Services) (Clause OB-638) (June 1988)

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- H.8 Protection of Postal Service Buildings, Equipment and Vegetation (Clause B-26)
- H.9 Performance at Occupied Postal Premises (Clause B-27)
- H.10 Officials not to Benefit (Clause 1-4)
- H.11 Gratuities (Clause 1-5)
- H.12 Contingent Fees (Clause 1-6)
- H.13 Postal Service Property—Short Form (Clause 2-12)
- H.14 Insurance (Clause 7-4)
- H.15 Federal, State, and Local Taxes (Short Form) (Clause 7-7)
- H.16 Fair Labor Standards Act and Service Contract Act—Price Adjustment (Clause 10-14)
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Section J - Instructions to Offerors

- J.1 Preparation of Proposals (Provision A-1 Alternate I) (June 1988)
- J.2 Submission of Proposals (Provision A-2)
- J.3 Modification or Withdrawal of Proposals (Provision A-3)
- J.4 Late Submissions and Modifications of Proposals (Provision A-4)
- J.5 Acknowledgment of Solicitation Amendments (Provision A-5)
- J.6 Explanation to Prospective Offerors (Provision A-6)

Section K - Solicitation Notices and Provisions

- K.1 Order of Precedence (Provision A-11)
- K.2 Postal Furnished Property or Services (Provision A-12)
- K.3 Labor Information (Provision A-13)
- K.4 Failure to Submit Proposal (Provision A-14)
- K.5 Protests (Provision A-15)
- K.6 Notice of Intent to Award Without Discussions (Provision A-19)

Section L - Representations and Certifications

- L.1 Certificate of Independent Price Determination (Provision 1-1)
- L.2 Contingent Fee Representation (Provision 1-2)
- L.3 References (Provision OA-502) (June 1988)
- L.4 Type of Business Organization (Provision A-20)
- L.5 Parent Company and Taxpayer Identification Number (Provision A-21)
- L.6 Authorized Negotiators (Provision A-22)
- L.7 Place of Performance (Provision A-23)
- L.8 Certification of Nonsegregated Facilities (Provision 10-3)
- L.9 Equal Opportunity Affirmative Action Program (Provision 10-4)

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- M.1 Contract Award (Provision A-8) Alternate I (June 1988)
- M.2 Award Without Discussions (Provision A-9)
- M.3 Evaluation Criteria (Food Services-Satellite Vending (Provision OA-605)(Alternate I) (May 1989)

U.S. Postal Service Offer and Award (Food Services—Satellite Vending)

- | | | |
|---------------------|-------------------------|--------------------|
| 1. Contract Number: | 2. Solicitation Number: | |
| 3. Request Number : | 4. SOC/EC: | 5. Commodity Code: |
-
- | | |
|------------------|--------------------------|
| 6. a. Issued by: | b. For Information Call: |
| | (no collect calls) |
-
- | | |
|--|------------------------------------|
| 7. a. Offeror/Contractor | b. Contact name: |
| | c. Telephone No: |
| | d. TIN: |
| | e. Parent TIN: |
| | TIN=Taxpayer Identification Number |
| f. Remittance Name and/or Address: (If different from above) | |
-
- | | |
|---------------------------------------|----------------|
| 8. Delivery/Performance Requirements: | b. Contact: |
| a. Address: | c. Telephone: |
| | d. Start Date: |
| | e. End Date: |

Performance is for a three-year term beginning within sixty days after award and ending three (3) years after the start date. The Postal Service may extend the agreement for up to two additional one-year terms.

9. Items & Prices/General Description of Requirement:

The contractor agrees to provide food services in the form of Food Vending at Satellite Vending locations subject to the representations, certifications, specifications, and contract clauses which are contained herein.

10. Signature: Offeror/Contractor	U.S. Postal Service
-----------------------------------	---------------------

Signature	Date	Signature	Award Date
Typed or Printed Name of Person Authorized to Sign Offer		Name of Contracting Officer	

Distribution: Original - File Copies - Contractor, COR(s), and Consignee(s)

U.S. Postal Service Solicitation: Food Services

1. Solicitation Number:
2. Solicitation Information:
 - a. Issue Date:
 - b. Return Date:
 - c. Return Time:
 - d. Contact:
 - e. Telephone:
 - f. Return to Address:

-
3. Offeror Name and Address:
 4. Issued by:

5. Sealed offers (in original and — signed copies) for furnishing the supplies or services described in this solicitation will be received at the place specified (and, if hand-carried, in Room ____) until the date and time (local time of the place specified) shown in Block 2. All offers are subject to the provisions, representations, certifications, specifications and contract clauses which follow or which are incorporated by reference, whether or not all of such attached pages are returned with the offer.

-
6. Notes to Offerors:

The U. S. Postal Service intends to award a contract to provide Satellite Food Vending services at the U. S. Post Office, _____. Period of performance will be initially for three (3) years with two one year options for a total of five (5) years.

-
7. In compliance with this solicitation the undersigned offers and agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the solicitation return date, to furnish any or all items upon which prices are offered at the same price set opposite each item, delivered at the designated point(s), within the time(s) specified in the solicitation.

Note: Offers must set forth full, accurate, and complete information as required by this solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Section A

Part 1—Schedule

Section A—Items and Prices

A.1 Estimated Sales (Food Vending Services) (Clause OB-635) (June 1988)

A.2 Items to be Vended (Food Vending Services) (Clause OB-636) (June 1988)

A.3 Acknowledgment of Amendments (Clause OB-199) (August 1988)

Section B**Section B—Specifications/Statement of Work****B.1 Scope of Work (Food Vending Services)(Clause OB-633) (June 1988)**

- a. The contractor is hereby granted the exclusive right during the terms of this agreement to sell food products, tobacco products, and non-alcoholic beverages through the medium of vending machines at a prescribed location, except that the Postal Service may permit a blind vendor to establish a vending facility under the provision of the Randolph-Sheppard Act.
- b. The U.S. Postal Service agrees to furnish sufficient space and utilities (electricity and water) to enable the contractor to properly and efficiently perform its services on U.S. Postal Service property.
- c. The contractor must install and service the machines with quality products and must maintain them at its own expense, keeping the machines in good repair and in a sanitary condition at all times. The contractor must additionally maintain the immediate area of the vending machines in a neat, orderly and sanitary condition.
- d. **Machine Safety.** The contractor must assure all its equipment and accessories are reviewed and approved by recognized national testing agencies, such as Underwriter's Laboratories (UL). Any changes or adjustments made to this equipment by contractor personnel will be in accordance with UL standards.
- e. The contractor must assume all responsibility for loss or damage to equipment installed on Postal Service premises, except for loss or damage caused by the negligent act or omission of the Postal Service, its agents or employees. The contractor must assume all responsibility for loss of coins due to theft or pilferage from the coin device, coin box, and/or dollar bill changer.
- f. The contractor must refund monies lost in vending machines.
- g. The contractor must perform the services required under this agreement in a courteous, efficient and orderly manner.
- h. The contracting officer may order any machine out of service if it is found that it is not maintained in a clean and sanitary condition. The contractor must be prepared, upon twenty-four (24) hours notice, to have a representative on hand at any machine so that it may be opened for inspection by individuals designated by the contracting officer.
- i. The contractor, in conjunction with the contracting officer, must develop a servicing schedule which will assure that all machines are adequately stocked with fresh merchandise to meet employees' demand during peak working hours. Depending upon the number of machines and locations thereof, the peak demand periods may not be the same throughout the building. All perishable foods must be appropriately dated to assure good stock rotation.
- j. All food and beverages supplied by the contractor must conform in all respects to federal, state, and local laws relating to the adulteration of food and drink and must in all respects be suitable for human consumption.

k. All vending equipment must be checked, as required, and a record of service calls must be maintained and made available to the contracting officer. Emergency maintenance service must be available. Telephone numbers that should be called to obtain maintenance service must be posted near each vending machine.

l. It is the intent of the Postal Service to make available to its employees products available from vending machines which are comparable in quality, quantity, and price to like products offered through the geographic area within which the installation is located. It is recognized, however, that the contractor may be required during the course of this contract to request economic adjustments in the price of commodities vended. It is additionally recognized that, due to the limitations of vending machines concerning the acceptance of various types of coins, such adjustments might better be accomplished through the adjustments of the commission rate. Accordingly, when officially requested by the contractor and supported by all necessary financial back-up, the contracting officer will enter into negotiations with the contractor to adjust prices, commission rate, or both. Any agreed to adjustment must result in a formal modification to this contract. No adjustments in selling price/commissions will be considered for at least one year from date of contract award.

Within fifteen (15) days after the end of each calendar month, the contractor must furnish to the COR, with a copy to the CO, a report for the previous month, of (a) the number of items vended for each category, (b) gross dollar income, and (c) amount of commission to be paid to the Postal Service. A check for the previous month's commission and a P & L statement with monthly and year-to-date totals must accompany the reports delivered to the COR with copies to the Contracting Officer. A separate check for 1 1/2 percent of net sales for space and utilities must be made to the Postal Service and sent to COR.

m. The contractor must utilize generally accepted accounting principles and practices and must maintain for the purposes of this agreement, such accounting records as may be satisfactory to the contracting officer.

B.2 Auxiliary Equipment (OB-646) (May 1989)

Section C—Delivery/Performance

C.1 Period of Performance (Food Vending Services) (Clause OB-639) (June 1990)

Section D—Packaging and Marking

[For this document, there is no text in this section]

Exhibit C, Part 3, Section D

Section E—Inspection and Acceptance

E.1 Contracting Officer's Representative (Clause OB-547) (June 1988)

Section F—Payment and Funding

F.1 Payment in lieu of Rental (Clause OB-631) (June 1990)

F.2 Payment of Commissions (Clause OB-645) (May 1989)

The contractor must submit a check for the previous month's commission, and a "Profit and Loss" statement with monthly and year-to-date totals for the satellite vending portion of the contract. Make checks payable to the postmaster and deliver to the contracting officer's representative (COR).

Part 2—Clauses and Attachments

Section G—Special Clauses

- G.1 Wage Determination (Clause OB-121) (Alternate I) (January 1991)**
- G.2 Termination on Notice—Cafeteria (Clause OB-581) (Alternate 1) (June 1990)**
- G.3 Access Control of Non-Postal Personnel (Clause OB-583) (June 1988)**
- G.4 Indemnification (Clause OB-614) (June 1988)**
- G.5 Contract Modification (Food Vending Services) (Clause OB-638) (June 1988)**

Section H—General Clauses**H.1 Clauses Incorporated by Reference**

The following clauses are incorporated by reference as if set forth in full text. The requirements of these clauses may be found in Publication 41, *Procurement Manual*, references shown in parentheses.

CLAUSE NUMBER	DATE	TITLE
6-1		Bankruptcy (PM 6.2.7)
10-1		Participation of Small, Minority-Owned, and Woman-Owned Businesses (PM 10.1.5)
10-3		Convict Labor (PM 10.2.2)
10-4		Contract Work Hours and Safety Standards Act - Overtime Compensation (PM 10.2.3)
10-7		Contract Work Hours and Safety Standards Act - Safety Standards (PM 10.2.4)
10-9		Equal Opportunity (PM 10.2.7)
10-12		Service Contract Act (PM 10.2.10)
10-15		Affirmative Action for Handicapped Workers (PM 10.2.11)
10-16		Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (PM 10.2.12)
10-19		Clean Air and Water (PM 10.4.2)
10-20		Drug-Free Workplace (PM 10.5.4)

H.2 Definitions (Clause B-1)**H.3 Changes (Clause B-2)****H.4 Claims and Disputes (Clause B-9)****H.5 Examination of Records (Clause B-14)****H.6 Invoices (Clause B-20)****H.7 Advertising of Contract Awards (Clause B-25)****H.8 Protection of Postal Service Buildings, Equipment, and Vegetation (Clause B-26)****H.9 Performance at Occupied Postal Premises (Clause B-27)****H.10 Officials not to Benefit (Clause 1-4)****H.11 Gratuities (Clause 1-5)****H.12 Contingent Fees (Clause 1-6)****H.13 Postal Service Property—Short Form (Clause 2-12)**

H.14 Insurance (Clause 7-4)

H.15 Federal, State, and Local Taxes (Short Form) (Clause 7-7)

H.16 Fair Labor Standards Act and Service Contract Act—Price Adjustment (Clause 10-14)

H.17 Assignment of Claims (Clause B-8)

H.18 Laws and Ordinances (Clause OB-585) (June 1988)

Section I—List of Attachments

Attachment No.	Title	No of Pages
1.	Proforma Operating Statement/Monthly Profit & Loss Statement	
2.	Representative Menu with Estimated Monthly Vends (Provided in SOW)	
3.	Performance Bond (If Necessary)	
4.	Wage Rate (If Applicable)	

Part 3—Solicitation Provisions

Section J—Instructions to Offerors

J.1 Preparation of Proposals (Provision A-1) (Alternate I) (June 1988)

J.2 Submission of Proposals (Provision A-2)

J.3 Modification or Withdrawal of Proposals (Provision A-3)

J.4 Late Submissions and Modification of Proposals (Provision A-4)

J.5. Acknowledgment of Solicitation Amendments (Provision A-5)

J.6. Explanation to Prospective Offerors (Provision A-6)

Section K—Solicitation Notices and Provisions

K.1 Order of Preference (Provision A-11)

K.2 Postal-Furnished Property or Services (Provision A-12)

K.3 Labor Information (Provision A-13)

K.4 Failure to Submit Proposal (Provision A-14)

K.5 Protests (Provision A-15)

K.6 Notice of Intent to Award Without Discussions (Provision A-19)

Section L—Representations and Certifications

- L.1 Certificate of Independent Price Determination (Provision 1-1)**
- L.2 Contingent Fee Representation (Provision 1-2)**
- L.3 References (Provision OA-502) (June 1988)**
- L.4 Type of Business Organization (Provision A-20)**
- L.5 Parent Company and Taxpayer Identification Number (Provision A-21)**
- L.6 Authorized Negotiators (Provision A-22)**
- L.7 Place of Performance (Provision A-23)**
- L.8 Certification of Nonsegregated Facilities (Provision 10-3)**
- L.9 Equal Opportunity Affirmative Action Program (Provision 10-4)**

Section M—Evaluation and Award Factors**M.1 Contract Award (Provision A-8) Alternate I (June 1988)****M.2 Award Without Discussions (Provision A-9)****M.3 Evaluation of Offers (Food Service - Satellite Vending) (Provision OA-605) Alternate I (May 1989)**

In determining which offer is the most advantageous to the Postal Service, the following steps will be taken.

- a. The unit price for each type of machine will be extended by the estimated vends to reflect estimated annual sales.

Note: Multi-commodity machines vending items such as candy, snacks, and pastry

Itemized sales cannot be provided for the multi-commodity machines referenced in this solicitation; therefore, the prices and portion sizes are to be averaged, before computation. Example: Selling prices of .25/.45/.50 = .40 for evaluation purposes. Portion sizes of 1 oz/1.5 oz/2 oz = 1.5 oz for evaluation purposes. The selling price is then pro-rated to reflect the largest average size offered. Where portion sizes are shown by the U.S. Postal Service in the solicitation, they represent the minimum portion sizes that are acceptable. When portion sizes are not shown, the offeror must cite the size or range of sizes offered.

- b. The quantities reflected in **Section A, Items and Prices**, are used for evaluation of contract awards ONLY. They may or may not be indicative of past usages and are not a guarantee of estimated sales.
- c. The commission(s) offered will be computed to reflect the estimated annual dollar value by multiplying estimated annual sales by percent commission offered for each type of machine.
- d. Percent commission offered by machine must remain constant for each type of machine quoted, and must not be offered based on a sliding scale according to dollar sales volume.
- e. All machines must generate a commission to the U.S. Postal Service.
- f. After making the computations above, the following formula will be used to determine the offer that is most advantageous to the Postal Service:

Sum of estimated sales in (a) above times 80%.

Less: Sum of commission in (c) above times 20%.

Equals: Score for offer evaluation purposes.

The lowest dollar figure will be considered to be most advantageous to the Postal Service.

- g. Where a particular type of soft drink container/machine is specified, such as canned drinks, other types of containers/machines will not be acceptable.

h. The Postal Service reserves the right to reject any and all offers, and to waive minor informalities or irregularities in offers received.

i. A written award (or Acceptance of Offer) mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, shall be deemed to result in a binding contract without further action by either party.

Exhibit D

Evaluation Guidelines for Cafeteria Proposals

Exhibit D, Cover Page



Evaluation Guidelines for Cafeteria Proposals**A. Sanitation Practices****Program**

1. Does the proposal reflect a strong sanitation program that includes:
Personal sanitation requirements?
Correct storage, preparation and service procedures?
Safe, sanitary care and maintenance of facilities and equipment?
Physical examinations of personnel?
Follow-up inspections and management reports?
2. Is there a comprehensive training program? Are refresher courses included?
3. Is there on-the-job training?
4. Do the staffing and scheduling provide adequately for sanitation?
5. Will cleaning services be subcontracted?
6. Is there a comprehensive inspection program? At what intervals?

Performance

1. What are the current State and local Health Department ratings for the firm?
2. What is the reported performance in other USPS facilities? Other Government Agency facilities? Private-sector facilities?
3. How responsive is the offeror in correcting deficiencies?
4. Does the offeror maintain a follow-up system in areas in which there has been a deficiency?

B. Staffing and Personnel Management**Staffing**

1. Is the staffing chart comprehensive and well developed?
2. Are adequate backup data provided for the development of a staffing pattern and staffing schedules?
3. Does the schedule provide satisfactory coverage of the functions and stations at proper times (numbers of hours and number of employees)?
4. Does the staffing pattern reflect the requirements of the facility's layout and anticipated patronage?

5. Does the staffing pattern correspond with sales and food cost projections?
6. Is the amount of on-site food preparation properly reflected?
7. Are management and supervisory positions adequately covered?
8. Does the staffing plan make effective use of part-time positions, and does it make assignments to appropriate activities?
9. Do the salary and wage scales appear in accordance with the requirements of the proposed operation?

Management Qualifications

1. What are the unit, district, and regional managers' education, training, and experience?
2. How much experience does the proposed unit manager have in operating facilities of this size and type?
3. Is the salary requirement appropriate for this type of operation?
4. How successful has the proposed manager been in his or her previous operations?
5. Is the proposed unit manager currently employed by the offeror?
6. Has the firm previously employed the manager named in the proposal?
7. What has been the quality of replacement managers?
8. Is there sufficient backup from regional and home office personnel?

C. Portion Sizes, Menu Prices and Management Controls**Portion Sizes**

1. Are the portion sizes offered consistent with the industry standards?
2. Are the portion sizes consistent across the menu spectrum?

Menu Pricing

1. Is the price and portion part of the proposal completed and does it include the portion sizes, selling prices and cost breakdown per ounce, slice, or other measurable unit?
2. Does the firm have an advantageous pricing structure for the portion?
3. Do the menus submitted show the selling prices, portion costs, and food cost percentages for each menu item? Did the offeror submit the prices of each item in measurable units such as ounces, as requested?

4. Is the pricing structure consistent across the menu spectrum?
5. Is the pricing structure realistic, considering the food cost and the pro forma statement?
6. Are the overall prices competitive in the local market?
7. Are the pricing policies consistent with the contract's objectives?

Management Controls

1. Are the management support and production systems designed to adequately control portion sizes and food costs?
2. Are procurement policies, discount, inventory control, and quality assurance programs in accordance with the requirements of the solicitation?
3. Does the offeror state the firm's policy and procedures for establishing portion sizes and prices?
4. Are daily weighed food costs determined for the menu cycle? Are production records, including waste control, part of management controls?
5. Do the price and portion sizes appear to correlate with the projected patronage and the pro forma statement?

D. Menu Variety and Quality

Menu Cycle

1. Is the menu cycle of sufficient length to avoid monotonous repetition?
2. Does the menu cycle vary? If so, how often?
3. Are popular dishes featured on a daily basis?
4. Does the menu cycle offer more popular items on a repetitive secondary cycle?
5. Are the menu descriptions of the food represented in an appetizing manner? Are the descriptions accurate and not misleading? For example, is the term "fresh" properly used to describe an item which has never been frozen?
6. Is the menu cycle realistic, considering the projected patronage and the pro forma statement?
7. Are different foods featured on different days, so that the same item does not appear on the same day of each week?
8. Are promotional and merchandising programs planned to add variety, stimulate interest, and attract new customers?

Daily Menu Pattern

1. Does the menu offer a balanced variety in each food grouping (fruits and vegetables, meats and fish, dairy, breads and cereals, and desserts and sweets) on a daily basis?
2. Is the number of items in each food grouping consistent with the requirements of the anticipated patronage?
3. Are seasonal items offered?
4. Does the daily menu offer high, medium, and low cost items in the various groupings?
5. Is there a wide variety of popular selections to stimulate customer satisfaction?
6. Is the menu pattern coordinated with the available cooking equipment to avoid overloading stove tops, deep fryers, and ovens?
7. Is the menu's food preparation compatible with the staffing schedule?
8. Do the daily food costs and percentages reflect the pricing structure and the projected profits?

Quality and Appearance

Does the menu offer a range of colors, textures, flavors and shapes? Are they compatible?

E. Budget (Pro Forma)

1. Are operating budgets prepared on an annual basis and reviewed periodically?
2. Are the pro forma statements submitted in the proposal comprehensive? Does the pro forma budget take into consideration seasonal and holiday fluctuations and local competition?
3. Is the development of the pro forma budget well documented, with a written explanation of how each line item was developed?
4. Is the pro forma budget realistic? How does it compare to the actual performance of the previous operator of the facility or of similar facilities?
5. How realistic is the gross sales projection? Does it accurately reflect the number of operating days, customer participation, check averages, sales per meal period, menu prices, menu variety and other sections of the proposal?
6. Does the cost-of-goods-sold projection correlate with the selling prices, portions, menu patterns, and management controls?
7. Do the payroll costs correspond to the information provided in the section on Staffing and Personnel Management and reflect any subcontracted services? Is the labor-to-sales ratio satisfactory?
8. Are the operating expenses realistic in light of the requirements of the contract?

Accounting Systems and Controls

1. Does the accounting system provide the information required in the solicitation?
2. Are the systems and procedures well developed, and do they meet industry standards?
3. Does the accounting system provide information on sales to indicate meal counts, check averages, and cost per meal data?
4. Are internal audits conducted on operational controls, financial statistics, methods, procedures and systems?
5. Are control checks, reports, and frequency reporting schedules adequate? Have sample reports and schedules been provided?
6. Will the systems and procedures provide reliable data and effective management tools?