

DRAFT

Roles and responsibilities of BEP, Vendors and Contractors in the Operation of Vending Facilities on Military Installations

[The CVPC Standards and Procedures subcommittee has concerns about working on a selection process for DOD facilities when there is not a selection process in regulations for all BEP facilities]

Working Assumptions:

1. Contractors are necessary to support the operation of vending facilities on military installations under a contract between the Department and the U.S. Department of Defense (DOD) or any branch of the military due to specialized nature and size of the facilities; and need to protect DOR from the risk of non-performance of the contract.

[If a vendor is qualified and those qualifications are approved by CVPC, the vendor should be allowed to bid or take over the contract on a DOD base without a contractor or change contractors after non-performance is proven.]

2. DOR will select and contract with the Contractor in order to assure protection of the State from the risk of non-performance.

[CVPC disagrees with this. The vendor should select contractor out of the pool of pre-qualified contractors]

3. Vendors and Contractors must be selected or pre-qualified in advance due to the short period in which to submit a proposal on a DOD location, so that the Vendor and Contractor can be involved in preparation of and identified in the proposal.

[CVPC disagrees with this. The Department knows far in advance. Should not be on short notice. Vendor should be selected by selection committee and the vendor then should select from pre-qualified list for BEP approval]

4. DGS will allow DOR to use a master services agreement procedure to pre-qualify and select Contractors and the process will allow selection within the required timeframes.

[There should a minimum of 5 contractors and none of the contractors will be subsidiary with any other selected Contractor or with each other. Committee would like to know what the term is for a master services agreement. Committee has concern if one of the pre-qualified contractors if removed from the list, how is that position replaced?]

5. Contractors will be paid out of the DOD contract payments for services provided to BEP in support of the operation of the DOD location.

[The committee feels the money should be negotiated between the vendor and the teaming partner]

6. Vendors will be actively engaged in management of the DOD location, will receive training from the Contractor, and will receive compensation from the DOD contract payments.

[Same as in #5. Method of payment should be negotiated also]

Proposed Procedures:

A. Definitions

Amend "Net proceeds" to clarify that the set-aside fee must be paid on income received by the Vendor who operates a vending facility on a military installation under a contract between the Department and the U.S. Department of Defense or any branch of the military within the Department of Defense.

[After all expenses are deducted. Set-aside fee shall be 10% of net proceeds. The committee with DOR should review what expenses are deductible. Net proceeds should also include award fees/Bonuses and change orders.]

Amend "Permit" to clarify that it also includes a contract between the Department and the U.S. Department of Defense, or any branch of the military within the Department of Defense, to operate a vending facility on a military installation.

B. Selection of Vendor

Amend existing procedures for selection of a Vendor to create a selection procedure to be used only for a vending facility on a military installation. Proposed selection procedure:

1. Annually, BEP shall appoint a Selection Committee for the selection of Vendors interested in operating a vending facility on a military installation. The Selection Committee shall consist of three members, each of which shall have experience in the management of food services.
2. A Vendor who has operated a BEP vending facility for at least five years is eligible to apply; however, a Vendor will be disqualified if the Vendor is delinquent in making set-aside payments or other financial obligations arising out of the operation of a vending facility, including payments of insurance, taxes or employee wages, or is delinquent in filing any financial reports required by section 7221.
3. To apply, the Vendor shall submit a written description of the skills, abilities and experience that qualify the Vendor to operate a vending facility on a military installation. The description must address the Vendor's demonstrated ability, effectiveness and experience in the following areas:
 - a. Management of vending facilities, including high-volume food preparation;
 - b. Maintenance of high standards of sanitation;
 - c. Management and supervision of employees;
 - d. Good interpersonal and customer relations;
 - e. Compliance with contractual requirements;
 - f. Ability to meet deadlines;
 - g. Knowledge and application of sound financial practices.
4. The Vendor shall also submit three written references that describe the Vendor's relevant skills, abilities and experience, the relationship between the Vendor and the person providing the reference, and contact information for the reference.

5. The Selection Committee shall conduct an interview of each eligible Vendor who submits the required written materials by the deadline for application. A Vendor will be disqualified if he or she fails to participate in the scheduled interview.
6. The Selection Committee shall score each Vendor based on the information contained in the Vendor's written submission, the information provided in the references and the oral interview. The Selection Committee may ask BEP to verify the information provided by the Vendor in advance of the scoring.
7. The Selection Committee shall compile a list, ranking the eligible Vendors based on total score received from highest to lowest score. In the event of a tie score between two or more Vendors, the Selection Committee shall flip a coin to determine the Vendors' order of placement on the list. A Vendor who does not receive at least 70% of the total points possible will be disqualified and will not be placed on the list.
8. The list shall be effective for one year from the date of its creation.
9. When BEP determines that it will pursue a contracting opportunity to operate a vending facility on a military installation, BEP shall select the highest-ranked Vendor on the list. A Vendor who is currently operating a vending facility on a military installation shall have the right to be selected first, at expiration of the contract for the vending facility, if BEP decides to submit a proposal for the location, and if the Vendor has performed satisfactorily during the term of the first contract.
10. If the Vendor declines the selection, the remaining Vendors on the list shall be considered in the order of descending ranking.
 - a. If BEP does not obtain the award of a contract for the vending facility, the selected Vendor shall retain his or her position on the ranked list.
 - b. If the selected Vendor declines the selection, the Vendor shall retain his or her position on the ranked

list. If the Vendor declines two times, he or she shall be removed from the list. A Vendor removed in such manner may file an application for the next year's ranking process.

- c. If BEP obtains a contract for the vending facility, the selected Vendor may continue operating his or her current vending facility until the commencement of the contract term for the vending facility on the military installation. At that time, the Vendor shall resign from his or her current vending facility and shall be removed from the list.

[CVPC believes this section should be removed. The process in place now should be used for DOD contracts and that all BEP Vendors should be allowed to bid.]

C. Selection of Contractor

Amend regulations to create a process for selection of a minimum list of five and none are a subsidiary of any of the others ~~of a~~ Contractors to assist BEP in obtaining contracts for vending facilities on military installations and assisting the Vendor in operating the vending facility. Proposed procedures:

1. BEP may enter into master service agreements with qualified Contractors to provide the following services to BEP in connection with vending facilities on military installations:
 - a. expertise to assist with preparation of a proposal to be submitted in response to a solicitation by the Department of Defense or any branch of the military, and with direct negotiations with such entities, at no cost to the Department or the Vendor;
 - b. expertise, services and staff to assist the selected Vendor in the successful operation of the vending facility, ~~if a contract is awarded to BEP~~, including assistance with contract compliance, quality assurance, personnel management, receipt and disbursement of contract payments, (this should be negotiated by vendor) and administrative services such as payroll, insurance, financial reporting and accounting;
 - c. training and support to the selected Vendor for the purpose of increasing the Vendor's capability to independently

operate and manage a vending facility on a military installation, and provide regular reports to the Vendor and to BEP regarding the training provided and the Vendor's progress;

- d. financial resources necessary to begin and maintain operation of a vending facility on a military installation;
- e. indemnification of the Department against all risk of loss arising out of performance of the contract to operate a vending facility on a military installation.

2. BEP shall determine the qualifications of Contractors based upon:

When contactors are qualified they should have the following:

- a. Experience in satisfactorily performing military food service and related contracts;
- b. Experience in working with and providing services to blind vendors; CVPC believes this should be removed, this could eliminate companies that could be qualified
- c. Ability to provide indemnification to protect the State from any claim or loss by any party arising out of the performance of the contract with the federal entity;
- d. Proof of financial stability and insurance; and
- e. Any other information the BEP determines to be pertinent to the Contractor's ability to provide the required services.

3. When BEP determines that it will pursue a contracting opportunity to operate a vending facility on a military installation, BEP shall select a pre-qualified Contractor, using state procurement processes, based on the best value to the State, considering on the Contractor's qualifications in relation to the specific contracting opportunity, the proposed cost to provide the required services and the proposed compensation for the Vendor.

[The Vendor selected will do this.]

4. In contracting with the Contractor, BEP. The Contractor and the selected Vendor shall specify the duties of the Contractor and how the Contractor will be compensated by negotiation for the services to be provided. The Contractor shall be paid from the contract payments received from the federal agency, before as agreed upon by all parties after payment of all required expenses and Vendor compensation.

5. Contract term – to be addressed To by developed by CVPC

D. Roles and responsibilities of Vendor and Contractor

Amend the regulations to specify the roles and responsibilities of the Vendor and Contractor. Proposed requirements:

1. The selected Vendor is personally responsible for the operation and management of the vending facility, and is required to perform management functions, including communications with the DOD contract staff, with the assistance of the Contractor.

[This should be in the teaming agreement and vendor agreement with BEP.]

2. The Vendor shall be self-employed and shall not be an employee of the Contractor.

3. BEP will ~~periodically~~ quarterly review the performance of the contract by the Vendor and the Contractor and the training that has been provided to the Vendor.

4. The Vendor is responsible for compliance with all terms and conditions of the Operating Agreement and compliance with all applicable regulations, including timely filing of the financial reports and payment of the set-aside required by section 7221.

E. Dispute Resolution – to be addressed in consultation with CVPC

1. BEP – Contractor
2. Vendor-Contractor