

Merchandise Sales Request for Proposal Questions and Answers

Please find below questions and answers that were asked by the companies submitting proposals for the Merchandise Sales Request for Proposal:

1. When are proposal due?
Proposals are now due on **Friday, April 1, 2016 by 5pm**. This will not be extended again. This should allow enough time for all participants to review the sample Unite Here agreement and rates that should be received tomorrow.
2. Can provide a copy of the union contract that relates to this piece of the business?
Yes – Unite Here is supposed to send over a sample agreement by tomorrow with rates. The chosen provider will enter into a contract with Unite Here directly. Contractor's employees will not have to be full card carrying Union members. There will be a \$3.00 fee paid to Unite Here per day, per employee.
3. Can our working personnel be sub-contracted employees?
Yes – However they would need to abide by all SMG rules and regulations.
4. Does Unite Here have an established employee pool?
Yes – these employees work at all area venues. Contractor can also bring in outside employees.
5. Is the union labor rate negotiable?
My guess is not much if at all. Unite Here has a standard rate they charge at Target Field, Target Center, Xcel Center, etc. We should be in line with other facilities.
6. Are nonprofit groups allowed?
No – Non-profit groups are not allowed
7. If we were to partner with another consigned concessionaire, what union rules would they be forced to adhere to?
That would need to be negotiated with Unite Here.

8. If there is an event that SMG requires our services that has a higher total operational cost than that of our net commission percentage per-event deal, does SMG plan to make us whole on the backend or do we need to accrue bottom line dollars from previous events to pay for the events that are not profitable?

Another way to ask it is: Does SMG prefer a net sales commission rate that is all encompassing that can absorb the costs of poor performing retail events over the course of the contract?

There will be events that are very profitable and events that are less profitable. Please feel free to address this situation in your RFP response. We could discuss on an individual event basis.

9. What is your solution if the contract calls upon sellers to sell at zero percent commission? Tool and Madonna have done something of this nature.

It will be up to the chosen provider to negotiate with tour merchandise representative. We would need to look at this situation on an individual basis and discuss.

10. What flat rate do you want to charge for a promoter operated floor space, such as a photo booth, for example? How will this be split between SMG and contractor?

This is up for negotiation.

11. Can we get PDF copies of all concourse maps with measurements and fire marshal limitations by proposed merchandise locations if applicable?

We will provide concourse maps under a different email cover. Contractor and SMG will work will work together and discuss locations once we have a better understanding of food and beverage portables.

12. Will all locations have hard wired internet access for credit card terminals?

No - All credit card terminals will need to be wireless.

13. If there isn't internet or telephone line access at locations, who takes on the risk if the promoter asks us to use store and forward? We prefer store and forward not be an option.

Chosen contractor would take the risk. Contractor could also negotiate with the Artist Tour Representative.

14. Will you allow promoter-owned POS and credit card machines? If so, can something be put in the contract that if a promoter prefers to use their own POS system and their credit card machines then promoter takes on all shrink risk? If we are not in control of all transactions, cash, and credit then we should not be held to shrink.

If artist requires the use of their own credit card machines then the artist should be at risk.

15. Please provide a list of what SMG will provide to assist contractor. Radios, ear pieces, and carts were mentioned in the contract that the contractor is to provide. What about tables, skirts, lighting, internet/telephone access, dollies, pallet jacks, forklift, electric carts, scissor lifts, and tents? **As of right now it is intended that the contractor would purchase radios through the contract that we already have set up. We have discounted negotiated rates to assist with pricing. If you are building this into your cost, you could use whatever cost for radios that you have had in the past as a placeholder. This all can be negotiated further. Contractor will have access to house tables, house pallet jacks, forklifts and carts.**

16. If we purchase or rent pallet jacks, electric carts, forklifts, scissor lifts, and/or tents, are we permitted to operate them or do we need to schedule union labor?
Labor requirements are still being negotiated. This should be advanced with the assigned Event Coordinator.

17. If we purchase or rent the above equipment in Question #13, will there be onsite storage for this equipment?
Yes we will provide storage.

18. Can you provide the count in and count out location? This location is preferred to be a lockable warehouse size room, with pallet wide doors, accessible by forklift, with electricity, controllable lighting, with 30-50 eight foot tables dedicated. If there is no space like this what is scenario B (maybe concourse) and scenario C (outside tent warehouse)?
There will be an adequate count in and count out space. This space is still being determined.

19. For the three scenarios above can you come up with the three typical scenarios the promoter's merchandise will be loading in and loading out of the promoter's trailers (dock, off dock, street side)?
Each event will have different requirements. This will be advanced with assigned Event Coordinator.

20. Can you provide lockable locations on each level with merchandise locations?
This is still being determined.

21. Where do we stand with understanding of how and what involvement the Union (Unite Here) will have with this project. It affects the price proposal and how I will answer the amount of compensation.
Unite Here is supposed to be sending a sample agreement with rates.

22. Under the Price Proposal, could you define what is meant by (All Direct costs). I assume that is where we put our rates/commissions, but wanted to make sure.
Correct – looking at a standard percentage split.

23. In the proposal where it says it must be submitted in two parts – do you want 2 separate files on the flash drive (3 flash drives in total) or do you want 2 separate flash drives each containing one part of the proposal (6 flash drives in total)?

Two separate files on 3 flash drives.

24. Similar question for the hard copies – i.e., one complete proposal submission with the two parts separated within the proposal? Or each part separated as two separate proposals?

One complete submission with two separate parts.

25. Do you have any special requirements regarding how the hard copies are bound i.e., binders or spiral, would you like individual tabs for each section and a table of contents?

Completely up to each company on how to present your bid.

26. What percentage would we need to pay the building, if anything, for these shows?

Typical merchandise split with the tours these days are 80/20 and 90/10 on recorded, posters, programs.

27. Do we have to provide radios to all stands? Or is that just our zone managers that will all have to have ear pieces?

As of right now it is intended that the contractor would purchase radios through the contract that we already have set up. We have discounted negotiated rates to assist with pricing. If you are building this into your cost, you could use whatever cost for radios that you have had in the past as a placeholder.

28. Are we going to have the chance to negotiate the percentage that we are receiving for the shows or does that come with our right to refuse shows?

SMG would negotiate the percentage with the Artist/Promoter. Contractor would not have the right to refuse work however we would not ask the Contractor to take a loss on an event.

29. Under PRICE PROPOSAL, can you please clarify what 'Minimum percentage increase (if any)' refers to?

The contract would be a 3 year contract. Please indicate in your proposal if you have an increase in your proposed percentage each year.

30. What percentage are we going to have to give the stand workers? Are we going to have to pay by stand or a lump sum?

Waiting on a sample agreement with rates from Unite Here.