

STATE OF ALASKA RFP 2017-0500-3625

AMENDMENT NUMBER 02



Department of Education and Early Development
Division of Education Support Services
801 W Tenth Street Suite 200
PO Box 110500
Juneau, Alaska 99811-0500

THIS IS NOT AN ORDER

RFP TITLE: ALASKA STATE LIBRARIES, ARCHIVES, & MUSEUMS GIFT & BOOK STORE OPERATOR

DATE AMENDMENT ISSUED: Wednesday, February 08, 2017.

RFP OPENING DATE AND TIME: 4:00 PM on Friday, February 17, 2017

This amendment is for informational purposes only and need not be returned to the State. Numbering of items continues from Amendment 01.

B. The pre-proposal teleconference was held on February 2 at 1:30 PM.

The recording is available by using the link below until 4:00 PM on 2/17/2017. Afterwards it will be available on request.

Link:

<https://stateofalaska.webex.com/stateofalaska/ldr.php?RCID=1eef6a2a9ed074416868ade1d5d76b98>

C. The following questions have been asked, answers follow each question.

- (1) There are cameras in the retail space, are they operational and if so who controls them? Are the images / videos available to the contractor?

Answer: The two recording cameras in the store are part of the Division proprietary Security Management System. Footage from the cameras can be made available to the contractor in the event of criminal activity and a JPD investigation. The contractor may also install their own security camera system.

- (2) The atrium to the museum has it's doors propped open to welcome visitors. May the contractor do the same with the store door(s)?

Answer: Yes, the front door may be propped open during APK business hours.

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- (3) May the contractor place a (pre-approved design) "sandwich board" or other free standing signage in the entryway just outside of the store door(s)?

Answer: Division management's preference is to have signage on the gift store windows and entry door. The signage must be in keeping with the style of signage for the other entry doors off the atrium – such as the museum entry, library entry and café entry. A sandwich board could interfere with visitor traffic flow to and from the museum, but the Division is willing to discuss this and other options further once the contract is awarded.

- (4) May the contractor play music within the retail space? Potentially this could include music that is also for sale such as Alaskan sound scales, Native Alaskan drum music, or other Alaska based artists (maybe even Playboy Spaceman).

Answer: Yes, as long as the music is fairly contained to the store space and doesn't interfere with admission taking and visitor orientation in the museum lobby next door.

- (5) What restrictions are there, if any, for advertising and marketing the store to the general public? May the store have it's own social media accounts, website, and email? May the store run it's own advertisements and promotions such as radio giveaways and / or donate items to non-profit silent auctions?

Answer: The store contractor is expected to do their own advertising and have their own website and email account, run promotions and may donate to non-profits of their choice. The contractor cannot imply the State Library, Archives or Museum approves the sale of any merchandise, endorses a product, or approves of a donations without express written permission from the Division.

- (6) Is there any restriction on the name of the store?

Answer: The store can be named differently. Please be aware of the name of the café (Andre's Café) and that it cannot be named in a way that it implies that it is an official SOA store.

- (7) In what way(s) will the museum include the retail store in its promotions of the museum to the public?

Answer: The Division of Libraries, Archives and Museums can passively promote the retail store as being one of two contractual concessions in the facility. The Division can state in brochures that a store and café are located in the building. A link to the contractor's (store) website can be placed on the Division's website. All advertising to promote the store must be handled and paid for by the contractor.

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(8) What is the annual marketing/advertising budget for the museum?

Answer: The Division's advertising and marketing budget is subject to funding availability and very limited. The Division relies heavily on the Friends of the State Libraries, Archives and Museum to assist with promoting and advertising for the Alaska State Museum, Archives and Libraries. Marketing is largely handled through social media, website, PSA. Rack cards are printed and distributed around town. This year the Division paid for one 2" x 2" advertisement in the ATIA Travel Alaska Guide and the Friends paid for an advertisement in the Juneau Guide and numerous flier to advertise lectures, youth activities and other events they co-sponsored.

(9) Why aren't the Friends operating the book/gift store now?

Answer: The current Friends president conveyed that at this time the Friends organization is not in a position to consider a bid for the store, as no one on the [all volunteer] board is currently willing to make such a huge commitment. The Division decided that it was in the Division's and public's best interest to offer put the gift store up for competitive bid and allow non-profits and commercial entities alike to offer proposals.

(10) What were the gross annual sales for the last three years of operation at the previous museum store?

Answer:

<i>Friends of the Alaska State Museum Store</i>				
<i>Tax Return Information</i>	<i>Year: 2009</i>	<i>Year: 2010</i>	<i>Year: 2011</i>	
<i>Gross Sales of Inventory:</i>	<i>\$165,335</i>	<i>\$ 118,904</i>	<i>\$ 106,592</i>	
<i>Less cost of goods sold:</i>	<i>\$201,952</i>	<i>\$ 67,641</i>	<i>\$ 49,616</i>	
<i>Gross profit or loss from sale of inventory:</i>	<i>\$-36,617</i>	<i>\$51,263</i>	<i>\$56,976</i>	
<i>Salaries</i>	<i>\$77,890</i>	<i>?</i>	<i>\$ 37,794</i>	<i>(Paid employees and Friends volunteers staffed the store(s))</i>
<i>Information from Friends of the Alaska State Museum tax records 2009-2011 provided by the current board President of the Friends of the Alaska State Library, Archives and Museum, 2/4/2017. The store was in the process of reducing inventory and closing in 2012-2013, records for these years were not available.</i>				

(11) What were the net profits from sales for the last three years of operation at the previous museum store?

Answer: Net profits unknown. Gross sales provided with previous question.

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(12) How many transactions were completed annually for the last three years of operation at the previous museum store?

Answer: This information is not available.

(13) What was the average per transaction price for items purchased for the last three years of operation at the previous museum store? (gross sales / number of total transactions)

Answer: This information is not available.

(14) What was the average per item gross margin (mark-up) for the last three years of operation at the previous museum store?

Answer: This information is not available.

(15) What was the annual payroll expense, per-employee and total, for the last three years of operation at the previous museum store?

Answer: The Friends of the Alaska State Museum utilized both paid employees and volunteers to operate the store. Detailed information is not available. However, in 2009 the salary likely includes wages paid for employees working in the store at the museum and a second store operated by the Friends located on Seward Street.

(16) How many employees were employed, full and / or part-time, for the last three years of operation at the previous museum store?

Answer: This information is not available.

(17) What was the average per-hour or salary compensation paid per employee for the last three years of operation at the previous museum store?

Answer: This information is not available.

(18) What was the percentage of rent paid from gross sales for the last three years of operation at the previous museum store? (i.e. \$8K in annual rent paid from \$100,000 of annual gross sale = 8% of rent paid from gross sales (gross rent paid annually / annual gross sales = percentage of rent paid from gross sale))

Answer: The Store was run by a non-profit organization with a mission to support museum programming. In lieu of rent, profits from the store were utilized to support the museum and its programs.

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(19)What was the average gross margin (mark-up) on products sold for the for the last three years of operation at the previous museum store?

Answer: This information is not available.

(20)What percentage of gross sales occurred during the months of May - September for the last three years of operation at the previous museum store?

Answer: This information is not available.

(21)What were the total number of paid walk-in or paid tour operator driven visitors to the museum for the last three years of operation at the previous museum store?

Answer:

The total visitor for the museum

<i>Alaska State Museum</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>
<i>Paid Bus Tour Visitors</i>	<i>7,849</i>	<i>10,459</i>	<i>13,327</i>
<i>Paid Walk-in Visitors</i>	<i>24,674</i>	<i>23,986</i>	<i>20,892</i>
<i>Event/Complimentary Passes</i>	<i>8,335</i>	<i>8,016</i>	<i>7,049</i>
<i>Students</i>	<i>3,368</i>	<i>3,631</i>	<i>3,551</i>
<i>Total Annual Visitors</i>	<i>44,226</i>	<i>46,092</i>	<i>44,819</i>

(22)What were the total number of paid walk-in or paid tour operator driven visitors to the museum since the museums re-opening? What are the projected number of paid walk-in or paid tour operator driven visitors to the museum for the next 3 years?

Answer:

<i>Alaska State Museum</i>	<i>2016 (June 6 - Dec 31, 2016)</i>
<i>Paid Bus Tour Visitors</i>	<i>2,443</i>
<i>Paid Walk-in Visitors</i>	<i>20,279</i>
<i>Event/Complimentary Passes</i>	<i>3,044</i>
<i>Students</i>	<i>4,277</i>
<i>APK Building Events during public hours</i>	<i>5,000+</i>
<i>Total Annual Visitors</i>	<i>30,043</i>

Library and Archives patrons are not estimated or included in the above counts. Over 5,000 visitors attended events held in the APK lecture hall, classroom or atrium during business hours. These visitors most likely did not visit the museum that day.

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The Museum does not have a projection on the number of walk-in and tour bus visitors for the next three years. However, a major tour bus operator that brought the majority of the museum's tour bus visitors in previous years, plans to include the museum in some of their tours in 2017. This company did not stop at the museum in 2016 because we were not able to commit to the building's opening date prior to their September 2015 deadline for including the museum in their tour packages.

(23) Was the traffic in 2016 similar to the prior year's traffic?

Answer: It appears to be a higher number of walk-ins. Note the inclusion of people who come to lectures, library, archives, the café, and other events in the APK.

(24) How do you count the number of people?

Answer: Point of sale system for museum gallery counts physically count the number of people attending events in confined areas such as the lecture hall and classroom.

(25) Does the state expect the store to incur the full expense of shipping any items purchased at the store within the state of Alaska? May the store charge for actual shipping costs above the retail price of goods for any items sold in the store being shipped to anywhere?

Answer: Yes, the contractor for the store is expected to cover the cost of all shipping and handling of these items. The markup of goods sold and the price for shipping and handling is the contractor's decision and responsibility.

(26) Would shipping of goods to a customer be included in the percent of revenue paid to the state?

Answer: No, it is appropriate to base gross sales off of the retail price before sales tax and shipping and handling.

(27) How permissive will the state be on the items up for sale?

Answer: There will be an expectation on the part of the public and the Division that the store is aware of source and carries merchandise of high quality and authenticity with education value. Not everything in the store must be made in or published in Alaska or reviewed by the Division. However misrepresentation, intentional or not, reflects upon the reputation of the Museum, Libraries and Archives as well as the Store contractor. The contractor is expected to comply with state, federal and international laws, treaties and

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guidelines –ensuring that merchandise consigned or purchased for retail sale is in compliance with Marine Mammal Protection Act (USFWS), Silver Hand Program, Made in Alaska program to name a few. Replicas, reproductions, or other commercial items adapted from objects and images in the Division’s collections will need to be developed with approval from the Division to ensure the integrity of the institution or the intrinsic value of the original object is protected.

(28)Is the state open to collaborative product development?

Answer: Yes.

(29)Does the state have a desired price point?

Answer: No.

(30)Would it be possible to have workshops, demonstrations, or similar events?

Answer: Yes, with advance written permission and scheduling from the Division if the events are held in the building but outside of the store space.

(31)How is telephone and internet connected to the space?

Answer: The Division has contacted ACS and GCI to determine how to get lines to the store. The cellular services used by the café has been reliable, fast and we have been assured that the lines are secure.

(32)Not having a hardwire terminal for credit cards can be a problem. An unsecured terminal can be an issue for rates and cost to the operator, is there a way to get in a phone/data line?

Answer: The Division has contacted ACS and GCI and requested a field survey to determine if we can get secure and fast service to the store. .

(33)Who makes decisions in regards to the store?

Answer: In general it would be the store operator. Hours of operation are restricted by the operational hours for the building. The building’s hours of operation are determined by the Division Director. Product development based on the collection will be in consultation with a Division liaison. The best approach may be a store committee that would informed the store operator of public events and exhibits in the facility as well as marketing, and product development.

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(34) Would the operator be able to close the store during the winter?

Answer: Yes, but rent would still need to be paid.

(35) How did you arrive at \$430,000 on Attachment 10?

Answer: \$430,000 is not a number based in reality: the amount is to be used for evaluation of proposals only. All offerors will have their score for \$6.06 based upon sales of \$430,000.

(36) Will the state be able to renew after five years or will you need to issue a new RFP?

Answer: A new procurement at the end of the term will be required. We will follow the Alaska Procurement Code: AS 36.30.

(37) Will the operator be held to the hours they describe in their response to the RFP?

Answer: No. See answer to Question 38.

(38) What is the traffic flow during the holiday and legislative seasons?

Answer: There was an uptick for the holiday season, the largest visitation days are days when special events and exhibits open in the facility during the holidays and legislative session.

(39) Is there any impact on traffic from the legislative session?

Answer: General experience is that there is minimal impact on traffic from the legislative session. We do see some legislative constituents that fly in to town during session, but there has not been any tracking done that would provide us with a reliable statistic.

<End of Amendment 02>



Robert Roys
Procurement Officer