



DATE: April 26, 2019
SUBJECT: Letter of Clarification
RE: Valet Parking Services RFP
TO: All Prospective Proposers

Houston First issues this Letter of Clarification regarding the referenced Valet Parking Services RFP to revise the Proposer Questionnaire and answer questions timely received in the manner set forth below:

Revision: Houston First has elected to revise the Proposer Questionnaire to add additional questions. A copy of the revised form is attached to this Letter of Clarification. Proposers must answer each question and submit their responses with their Proposal.

Question 1: Will the valet contractor selected be required to establish bank accounts or merchant accounts?

Answer: No. The contractor selected will be directed to use one or more accounts designated by the CFO of Houston First.

Question 2: What is the current minimum capture rate on site?

Answer: There is no existing minimum capture rate for valet parking. For frame-of-reference, the agreed capture rate for self-parking is 95%.

Question 3: Does the term “capture rate” refer to valet revenue capture or valet vehicles captured vs. self-parked vehicles?

Answer: As used in the Valet Services RFP, the term “capture rate” refers to valet-parked vehicles only.

Question 4: Will the contractor selected be allowed to bill back claims and deductibles?

Answer: Houston First will not indemnify or assume liability for the negligence of the contractor. Please refer to the Valet Parking Services Agreement.

Question 5: Are insurance premiums a reimbursable expense?

Answer: No. Administrative costs, such as insurance premiums, should be included in the At-Risk Management Fee in Section 1 of the Pricing Form.

Question 6: What was the hotel occupancy rate for 2018 and year-to-date 2019?

Answer: Hotel management reports that the occupancy rate was approximately 71% for 2018 and is estimated at 68% year-to-date for 2019.

Question 7: Can you provide the annual valet car counts for 2018 and year-to-date 2019, broken down by overnight/transient?

Answer: While annual and year-to-date data is not available at this time, hotel management has stated that as many as 6,000 cars are valet parked monthly. Approximately 40% of overnight guests use valet service. Of valet-parked cars, hotel management estimates that 38% are overnight guests.

Question 8: What was the total valet parking revenue for 2018 and year-to-date 2019, broken down by overnight/transient?

Answer: Reliable annual revenue data is not available at this time. The standard rate for valet service is \$40, though applicable rates can vary.

Question 9: Is there a reason the current AVPM is not interfaced with the OnQ system?

Answer: Management is not aware of any prohibitive reason. Proposers are welcome to make suggestions for operational and technological improvements as part of their questionnaire responses.

Question 10: Are employee benefits reimbursable expenses?

Answer: Payroll and benefits costs should be included in Labor Rates offered by Proposer in Section 2 of the Pricing Form. For clarity, benefits include the employer's share of FICA; Medicare; premiums for health insurance; life insurance; short-and/or long-term disability insurance; workers' compensation insurance; and other employee-related fixed charges to the extent they can be verified.

Question 11: Are bank/credit card fees reimbursable expenses?

Answer: The contractor selected will be directed to use one or more accounts designated by the CFO of Houston First. The contractor is not expected to absorb credit card processing fees. Bank fees incurred by the contractor, if any, would be reviewed in good faith and reimbursed accordingly.

Question 12: Can the at-risk management fee as submitted include an annual bonus structure for achieving budgeted sales and profits?

Answer: As valet service needs fluctuate due to a host of factors, including room occupancy, banquets, conventions, and holidays, a bonus structure is not acceptable.

Question 13: Is there a guaranteed minimum number of service hours?

Answer: The number of service hours cannot be guaranteed, although please note that services are to be provided 24/7.

Question 14: Can the valet service provider selected terminate the contract for its convenience?

Answer: The contractor selected will not be allowed to terminate for convenience under the terms of the Valet Parking Services Agreement.

Question 15: How many valet spaces are available?

Answer: Space set aside for valet services varies based on demand.

Question 16: Are all valet-parked cars kept in the Avenida South (Hilton) Parking Garage?

Answer: No. Cars are parked occasionally at other facilities, such as the Tundra Garage, during major events and periods of high hotel occupancy.

Question 17: Will you revise Section 2.9 of the contract to allow employees to be transferred rather than being interviewed by a new contractor?

Answer: To help ensure continuity of services, promote stability for long-serving employees, and be consistent with other agreements, Houston First prefers to keep Section 2.9 as written.

Question 18: Will you rewrite Section 3.4 of the contract, or modify the list of “Disqualifying Events”, to soften the potential consequences for valet service deficiencies?

Answer: Houston First prefers to keep Section 3.4 as written.

Question 19: Will you revise Section 3.11 of the contract to modify or remove restrictions on reimbursement to the contractor for overtime?

Answer: Houston First prefers to keep Section 3.11 as written.

Letters of Clarification become a part of the RFP automatically upon issuance and supersede any previous specifications and/or provisions in conflict therewith. By submitting their Proposal, Proposers are deemed to have received all Letters of Clarification and to have incorporated them into their Proposal.

PROPOSER QUESTIONNAIRE (REVISED)

Houston First intends to carefully evaluate the ability of every proposer (each a "Proposer") to perform successfully under the terms of the resulting agreement, giving due consideration to matters such as past performance, resources, and other material items pertaining to the responsibility of each Proposer. Houston First expects each Proposer, to be considered responsive to the requirements of the foregoing RFP, to include a comprehensive document in its Proposal answering all of the following questions fully and truthfully:

1. How long has the Proposer been in business?
2. Approximately how many employees does Proposer have in Houston?
3. Is the Proposer in good standing under the laws of its state of incorporation?
4. Does the Proposer possess the experience, means and resources to perform services in connection with this RFP?
5. How many valet locations does Proposer have in Houston?
6. What is the Proposer's minimum acceptable capture rate for valet parking at the facilities?
7. Can the Proposer implement a biometric time-keeping system for all of its employees and subcontractors by July 1, 2019?
8. Can the Proposer offer any suggestions to restructure the personnel requirements for these services? Please identify any additional costs or anticipated savings to HFC.
9. How will the Proposer improve customer satisfaction with valet parking services?
10. Does the Proposer offer any revenue-enhancing or cost-saving services, management solutions, operational strategies, or technological innovations that could be implemented in support of the Services? If so, please identify any additional costs or anticipated savings to Houston First, and note whether or not such enhancements could be implemented in calendar year 2019.
11. Has the Proposer communicated with any HFC or Hotel employee, officer or director regarding their Proposal, or any matter relating to this RFP, other than through bids@houstonfirst.com or during the Pre-Proposal conference?
12. Has the Proposer (or any of its principals, officers or directors), in the past 5 years, knowingly or intentionally committed fraud or a criminal offense in connection with obtaining or attempting to obtain a contract? If so, please explain.
13. Has the Proposer (or any of its principals, officers or directors), in the past 5 years, knowingly or intentionally violated antitrust statutes? If so, please explain.

14. Has the Proposer (or any of its principals, officers or directors), in the past 5 years, knowingly or intentionally committed embezzlement, theft, forgery, bribery, falsification or destruction of records, or tax evasion? If so, please explain.
15. Has the Proposer (or any of its principals, officers or directors), in the past 5 years, knowingly or intentionally made a false statement to a governmental authority? If so, please explain.
16. Is the Proposer (or any of its principals, officers or directors) currently delinquent in the payment of Federal, state or local taxes? If so, please explain.
17. Does the Proposer (or any of its principals, officers or directors) have any personal or business conflicts of interest with any principals, directors, officers, managers, or senior staff at Houston First or the Hilton Americas-Houston Hotel? Conflicts of interest exist when a private interest interferes (or would appear to a reasonable person to potentially interfere) in any way with this RFP, the evaluation/selection process, operations, accounting, or the best interests of Houston First or the Hilton Americas-Houston Hotel. If any such conflict of interest exists, or would appear to a reasonable person to potentially exist, then Proposers must provide a full written disclosure.

The undersigned Proposer represents and warrants that all of the information provided in response to the foregoing Proposer Questionnaire is true, correct, complete, and may be relied upon by Houston First without exception:

Proposer: _____

By:

Signature: _____

Date: _____

Name: _____

Title: _____