



AMENDMENT #1

To: Prospective Offerors

From: Cia Morey – Procurement Officer
Tri-County Council for Southern Maryland

Regarding: **Meat Processing Facility RFP Solicitation #1608, Amendment #1, Contains four sections as follows:** A.) Pre-Proposal Meeting Agenda and Summary B) Prospective Offeror Q & A's, C) RFP Content Revisions D) Pre-proposal Sign In Sheet

Amendment #1 Issue Date: December 27, 2016

Pre-Proposal Conference: December 13, 2016 at 1:00 pm Local Time
15035 Burnt Store Road, Hughesville, MD 20637

Deadline for Questions: January 20, 2017

Proposal Due Date and Time: January 27, 2017 at 4:00 p.m. Local Time

Note: *Late proposals will not be accepted.*

A. Pre-proposal Meeting Agenda & Summary

The Department (Tri-County Council for Southern Maryland) conducted a pre-proposal conference on December 13, 2016 at 1:00 PM at 15035 Burnt Store Road, Hughesville, MD 20637. The Department is issuing this solicitation for the purpose of selecting an entity to develop, manage and operate a Meat Slaughter and Processing Facility, in accordance with USDA standards, located in Southern Maryland. The facility is a public-private partnership with the capability to process at minimum 500 beef and 2000 sheep/goats/hogs, with an optional ability to process additional livestock species including poultry. The ideal capacity target for this facility is 3000 animal units.

The Procurement Officer, Cia Morey, convened the meeting after introductions of Tri-County Council personnel. The full list of attendees can be found on the sign-in sheet attached to this Amendment #1.

In the meeting proceedings the Procurement Officer, reviewed all of the RFP content with the exception of Section 3 Scope of Work. This section was reviewed by John Hartline, Executive Director for the Department and Steve McHenry, Executive Director-MARBIDCO. A summary inclusive of meeting agenda and RFP contents are as follows:

Meat Processing RFP -A G E N D A

PRE-PROPOSAL CONFERENCE

December 13, 2016

WELCOME AND INTRODUCTION	Cia Morey – Procurement Officer
BRIEF MEAT PROCESSING SUMMARY	Cia Morey – Procurement Officer
REVIEW OF RFP	Cia Morey – Procurement Officer
SECTION 3-SCOPE OF WORK & FINANCING	John Hartline – Executive Director TCCSMD Steve McHenry-Executive Director-MARBIDCO
QUESTIONS & ANSWERS	Audience
AUDIENCE OPEN DISCUSSION	Audience

Pre-proposal Meeting Summary

The RFP was reviewed in its entirety with the below items noted during the 12/13/16 pre-proposal conference.

RFP Key Information Summary Sheet

- Review of key dates of proposal, key contacts and correspondence information.

RFP SECTION I General Information

- **Section 1.1.1** reviewed the summary statement and the Department's role. Annual ideal capacity target for this facility is 3,000 animal units. Mr. Hartline explained the other facilities that were visited previous to completing this RFP; Mt. Airy, Old Line Meats in Baltimore, Allegheny Meats in Virginia and Working Meats in Garrett County, MD.
- **Section 1.2- # 12, page 8**, John Hartline explained the Minority Business Enterprise requirement is 15% of the state awarded amount.
- **Section 1.4, page 9**, bid amount is fixed for 120 days.
- **Section 1.8, page 10** RFP has been posted on eMaryland Marketplace, it can also be found on the Department's web-site along with www.SMADC.com.
- **Section 1.11, page 11**, proposals are due January 27, 2017 by 4PM. Any received after that date and time will not be opened. Proposals should be hand carried to the Procurement Officer or by Federal Express. It is not suggested to be sent via US Mail as the Department has a Post Office box.
- **Section 1.28, page 17**, reminded that bidders need to register with the State Department of Assessments and Taxation (SDAT).

RFP SECTION 3 Scope of Services

- **Section 3, page 23**, John Hartline and Steve McHenry reviewed the Performance Incentive Financing (as a Conditional Forgivable Loan); low interest loan of up to \$500k administered through MARBIDCO, loan grant through MARBIDCO-forgiveness based on performance of the facility. Forgiveness is only based on animals processed from Southern Maryland farms. Survey created identified the demand for a meat processing facility
- **Section 3.4, page 28**, Proof of insurance is due 5 days after bid awarded.

RFP SECTION 4- Proposal Format

- **Section 4, page 3**, Two proposals; Technical and Financial. To be submitted in separate envelopes.
- **Section 4.21 page 31**, 5 copies are needed and an unbound original.
- **Section 4.23 page 31**, a searchable PDF is not needed, however, an electronic copy is needed and should include Attachment K.
- An attendee informed the audience that help is available through the Small Business Development Center of Maryland (www.sbdchelp.com, 301-934-7580). Counselors are available to help with setting up the business, financial statements, etc.

B) Prospective Offeror Q & A's

Question: Is the livestock production target of the Summary Statement annual?

Answer: Yes

Question: How did the Department come up with the species numbers of cattle, beef, hogs, and lambs listed in the Scope of Work?

Answer: Following visits to four different facilities (Mount Airy, Old Line Meats in Baltimore, Allegheny Meats in Virginia and Working H Meats in Garrett County, Maryland), it was determined that the annual species target is correct for the Southern Maryland region. Of course quantities could be larger. The target number is based on the minimum viable size of the facility.

Question: Is there additional information about the terms and conditions of the financing opportunities being provided by Department through the third-party financial intermediary organization?

Answer: The Department plans to enter into an agreement with the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) to administer the financing opportunities described in the RFP. (MARBIDCO is very experienced in servicing a wide range of loan and grant incentive programs related to food and agricultural production.) There are two separate financing opportunities available to the successful bidder using funds being offered by the Department.

The first opportunity is the Performance Incentive Financing of \$500,000, which all bidders are expected to incorporate into their proposals. The performance incentive financing will be provided in the form of a conditional forgivable loan, with an expected term of no longer than nine years. (Note: during the first year just interest-only payments will be expected, then the conditional loan would amortize over the eight

remaining years – and additionally, through good production performance the loan could be paid off early.) Bidders should propose a plan to meet the large animal production target figures described on pages 24-25 of the RFP during this up-to-nine-year period, with no more than a 25% loan principal forgiveness provided at the end of any year during the term of the loan (or a maximum of \$125,000 forgiven in any single year). The loan principal balance due will be adjusted annually based upon the documented production of the preceding year. Please use an annual interest rate of **2.75%** (fixed) in the pro forma financial projections. It is recommended that some form of tangible collateral be identified as security for the Performance Incentive Financing, but the “best collateral” (such as real estate) might want to be reserved for bidders who wish to take advantage of the next financing opportunity.

The second financing opportunity that is available for a prospective bidder is a moderately-priced “gap” loan between \$250,000 to \$500,000 to help leverage at least a like amount of commercial lender financing. (Lenders often like to see 40% to 60% in equity contributions in a start-up commercial venture, and in any event these lenders may not want to be involved in providing more than about 50% of the overall financing needed for a project such as this.) The term of this loan will likely mirror that of the participating commercial lender (with the term length pegged to the useful life of the asset being financed), and the interest rate that will be charged for the public’s portion of the financing will be **3.60%** (fixed). Appropriate tangible collateral must be offered as security for this loan, but it may be subordinated to the commercial lender’s lien(s). Please refer to pages 25 and 26 of the RFP for more information. And be aware that the Department expressly reserves the right, after consulting with the bidder, to adjust the final collateral security and other conditions to better protect the public’s interest prior to the awarding of a contract.

Question: With regard to the performance metrics for incentive financing based on the number of animals processed, do all the animals have to come from Southern Maryland producers?

Answer: Yes. For the incentive guarantee, the animals must come from Southern Maryland. Documentation/reporting (intake sheet) to MARBIDCO must support that those animals came from Southern Maryland (specie, farm name to substantiate).

Question: Animals raised elsewhere (transported from Virginia over the Harry Nice Bridge), will not be credited for the performance incentive award?

Answer: That is correct. The animals can still be processed, but they will not be counted towards the incentive.

Question: What if there are not sufficient animals being produced in Southern Maryland to supply that forgiveness?

Answer: The Department is proposing some flexibility, a minimum of a thousand animals; the maximum expectation is 1,480 animals. The Department does plan to allow up to nine years for performance to occur. Ideally the contractor will be ramping up and if they are not able to get there in the first four or five years, they will be able to make up the numbers on the back end.

Question: If the facility can handle those animals, but the Southern Maryland producers are not producing enough animals to meet the 25% forgiveness, is there a remedy for that?

Answer: The Department’s plan is to only forgive animals that are produced in the five counties of Southern Maryland (Anne Arundel, Calvert, Charles, Prince George’s and St. Mary’s counties). The Department wants to encourage production with programs already in existence like Southern Maryland

Meats, to encourage Southern Maryland producers to produce those large animals. Having the processing capacity will serve as an incentive for the farmers in the region to produce more animals.

Question: If someone has existing land/property and they have to put \$100,000 down and make improvements to that existing building, buy equipment, etc., is that debt subordinated to the MARBICO loan?

Answer: The bidder will detail in their proposal how the financing is going to work, what the collateral expectations are going to be, etc. If you have a commercial bank involved they most likely are going to be the 'senior' lender and be senior to any loan MARBIDCO is going to take. The Department is relying on the Offeror to detail how that security is going to be provided. Real estate is the best form of collateral, followed by tangible assets.

Question: Will an existing mortgage be considered equity?

Answer: Yes. All this information needs to be put into the proposal. A fully collateralized proposal will carry more weight than a proposal that is under secured. A 100% collateral security is better than 80% or 50%. The more security that is available the better received the proposal.

Question: Based on the technical proposal being opened first and then the financials, will the Department be awarding on technically acceptable proposals or on the best option financially?

Answer: This Contract will be awarded in accordance with the Competitive Sealed Proposals method under COMAR 21.05.03. The Department will evaluate all technical proposals first. Any technical proposals that don't meet the minimum qualifications will be eliminated and the financial proposal will be sent back to the Offeror unopened. Then the Evaluation Committee will be evaluating both the technical and financial proposals to determine which are the best value and the most able to deliver the project.

Question: How many responses to the survey (Attachment I) were received?

Answer: Approximately 35 to 40*

*Clarification: Attachment 1: "Meat Processing/Slaughter Facility Center" Survey of Southern Maryland Meat/Livestock Producers" – SMADC conducted two separate surveys of the regional farming community; 1) The "Agricultural Business Park and Food Innovation Center Survey Summary" was conducted to identify and prioritize infrastructure needed in the region. Fifty four (54) farmers responded identifying a 'meat processing facility' as top priority for the region. 2) "Meat Processing/Slaughter Facility Center Survey of Southern Maryland Meat/Livestock Producers" exclusively surveyed 47 active participants of the Southern Maryland Meats program of SMADC, of which 12 responses were received.

Question: In a circumstance when the Offeror has the land and the ability to finance, but does not have the expertise in meat processing, can they pull experience from elsewhere, including out of state?

Answer: Yes.

Question: What contingency is there if none of the proposals qualifies, will the deadline be extended?

Answer: The Department and SMADC would re-evaluate as to how we will proceed.

C) RFP Content Revisions

Section 1 – General Information

1.22 Offeror Responsibilities (page 13)

The last sentence of paragraph is deleted; it is not applicable.

The selected Offeror shall be responsible for all products and services required by this RFP. All subcontractors must be identified and a complete description of their role relative to the Proposal must be included in the Offeror's Proposal. ~~If applicable, subcontractors utilized in meeting the established MBE participation goal for this solicitation shall be identified as provided in the appropriate Attachment(s) of this RFP.~~

Offeror does not need to identify if a subcontractor meets the established MBE goal of this solicitation.

Section 3 – Scope of Work

3.3.1 Employee Identification (page 27)

Sections (a) and (b) does not apply to this procurement

~~(a) Each person who is an employee or agent of the Contractor or subcontractor shall display his or her company ID badge at all times while on Department Premises. Upon request of authorized Department personnel, each such employee or agent shall provide additional photo identification.~~

~~(b) At all times at any facility, the Contractor's personnel shall cooperate with State site requirements that include but are not limited to being prepared to be escorted at all times, providing information for badge issuance, and wearing the badge in a visible location at all times.~~

The Department considers Section 3.3.1(a) (b) deleted from this solicitation.

Section 4 – Proposal Format

4.2.1 Volume I (page 31)

An unbound original and five (5) copies are required; not four (4) copies

“Each Volume shall contain an unbound original, so identified, and ~~four (4) copies~~ five (5) copies.”

The Department requires an unbound original and five (5) copies of Volume I

4.2.2 Electronic version (page 31)

Affirmation this needs to be provided

An electronic version (on Compact Disk/CD, Digital Versatile Disc/DVD, or Universal Serial Bus/USB Flash/Thumb Drive) of Volume 1-Technical Proposal in Microsoft Word format must be enclosed with the original Volume I - Technical Proposal submission. An electronic version (on CD, DVD, or USB Flash Drive) of Volume II - Financial Proposal in Microsoft Word or Microsoft Excel format must be enclosed with the original Volume II - Financial Proposal submission. Each CD/DVD/USB Flash Drive must be labeled on the outside with the RFP title and number, name of the

Offeror, and volume number. Each CD/DVD/USB Flash Drive must be packaged with the original copy of the appropriate Proposal (Technical or Financial).

During Pre-Proposal meeting held on December 13, 2016, there was mention this was not needed. However, after discussion it was determined both Volumes I and II need to be submitted electronically.

4.2.3 Searchable electronic version (page 31)

Affirmation that this does not need to be provided

~~A second electronic version of Volume I and Volume II in searchable Adobe .pdf format shall be submitted on CD, DVD, or USB Flash Drive for Public Information Act (PIA) requests. This copy shall be redacted so that confidential and/or proprietary information has been removed (see Section 1.14 "Public Information Act Notice").~~

The Department does not require an electronic searchable Adobe format of Volumes I and II and considers Section 4.2.3 deleted from this solicitation.

4.4 Volume I – Technical Proposal (page 32)

1st section is numbered wrong; should be 4.4.1 and not "1"

4.4.3 Technical Response to RFP Requirements & Proposed Work Plan (page 35)

Error in numbering of Subsections

On page 35 and 36, Section 3 should be 4.4.3.3; Section 4 should be 4.4.3.4; Section 5 should be 4.4.3.5; Section 6 should be 4.4.3.6 and Section 7 should be 4.4.3.7

4.4.10 Subcontractors (Submit under TAB L) (page 38)

TAB L does not need to be submitted; it is not applicable

~~The Offeror shall provide a complete list of all subcontractors that will work on the Contract if the Offeror receives an award, including those utilized in meeting the MBE and/or VSBE subcontracting goal, if applicable. This list shall include a full description of the duties each subcontractor will perform and why/how each subcontractor was deemed the most qualified for this project. See Sections 4.4.2.6 and 4.4.2.7 for additional Offeror requirements related to Subcontractors.~~

TAB L is not needed for this proposal. When submitting, TAB K should be followed by TAB M. The Department considers Section 4.4.10 deleted from this solicitation.

4.5 Volume II – Financial Proposal (page 40)

An unbound original and five (5) copies are required; not four (4) copies

Under separate sealed cover from the Technical Proposal and clearly identified in the format identified in Section 4.2 "Proposals," the Offeror shall submit an original unbound copy, ~~four (4) copies~~, and an electronic version in Microsoft Word or Microsoft Excel of the Financial Proposal. The Financial Proposal shall contain the price information in the format specified in **Attachment E**. The Offeror shall complete the Financial Proposal Form only as provided in the Financial Proposal Instructions and the Financial Proposal Form itself. Additionally the Offeror shall submit an electronic version of the Excel Spreadsheet on a USB Flash Drive or a CD Format.

The Department requires an original unbound copy, five (5) copies and an electronic version in Microsoft Word or Microsoft Excel of the Financial Proposal.

Section 5 – Evaluation Committee, Evaluation Criteria, and Selection Procedure

5.2.3 Offeror Qualification and Capabilities, including proposed Subcontractors (See RFP § 2.1)
(page 41)

Clarification

Section 2.1 is the Offeror's Minimum Qualifications listing. If Offeror is using subcontractors as key personnel of their workplan, they need to list and clearly identify them as subcontractors in their key personnel listing and resumes (Section 2.1.3, page 22). However, Offeror should not identify any subcontractors as certified minority business enterprises (as referenced in Attachment B, page 61).

D) Pre-proposal Sign In Sheets

Please see the attached sign in sheets.

Pre-Bidders RFP Meeting

12/13/16

Visitor Sign In

Name	Affiliation	County
Dawita Booncharisri	Cal Co Dept. of Social Serv	Calaveras Co
Eddie Bowling	SMAR	Chico
Philip Goltzwick	ACDS	Alameda
Candy Bouchard	SYM - SMARE	Chico
Shelley Watson-Hampton	MHA	Chico
Charles Rice	SMAAL	Charles
Dana Sasser	St. Mary's DED	St. Mary's
Heleen Vernecke	TECSMD	St. Mary's
Gene McHenry	MARRISIDU	At. Co
Mary Bohanan	Avalon Building Supply - MBE ^{DBE} SBE	St. Mary's



Tri-County Council for Southern Maryland

Amendment Acknowledgement Form

NAME OF PROPOSER: _____

SOLICITATION NAME/NO: Meat Processing Facility 1608-001

PROPOSAL DUE DATE: January 27, 2017 at 4:00 p.m.

ACKNOWLEDGEMENT

I hereby acknowledge receipt of the following amendment(s) that have been issued regarding the above referenced solicitation. This acknowledgement form will be included with my proposal submittal for the above referenced solicitation to be considered responsive.

AMENDMENT #1- ISSUE DATE.....December 27, 2016

Printed Name

Signed Name

Title

Company Name

Date