

ENCLOSURE 1

LICENSING AGREEMENT

I. GENERAL

A. Purpose. The purpose of this Agreement is to provide a license to the Licensee to operate a cafeteria on the premises of the Licensor. For the purposes of this agreement, the U.S. Embassy, Riga, Latvia, hereinafter known as U.S. Embassy, is the Licensor and *[Note: to be completed at time of Licensing Agreement signature]* is the Licensee. The term “parties” means the Licensor and Licensee. No United States Government funds are obligated under this agreement.

B. Description of Cafeteria Operation. The Licensee shall establish and operate the food service facilities for the purpose of dispensing food, nonalcoholic beverages and such other items as may be authorized by the Licensor under this Agreement. See Exhibit A for specifics on the operation of the food service facilities.

II. PERIOD OF AGREEMENT

A. Initial Period of Agreement. This Agreement is effective as of the date indicated in the written notification submitted by the U.S. Embassy to the Licensee, which shall be submitted no later than twenty (20) calendar days after the date of signature by the U.S. Embassy NEC representative. The term of this Agreement shall begin as of the date indicated in the said notification letter and shall last for one (1) year.

B. Subsequent Periods. This Agreement may be extended at the mutual agreement of the parties. Any extension will be formalized by an amendment to the Licensing Agreement, signed by both parties.

III. SPECIFICS OF CAFETERIA OPERATIONS

Cafeteria operations, including details of each party’s responsibilities, are set forth in Exhibit A to this Agreement.

IV. LICENSOR PERSONNEL

A. Licensing Officer. The Licensing Officer has the overall responsibility for the administration of this Agreement. Only the Licensing Officer is authorized to take actions on behalf of the Licensor to amend, modify or deviate from the Agreement terms and conditions. The Licensing Officer may delegate certain responsibilities to authorized representatives.

B. Technical Representative. The Licensing Officer may designate a Licensor’s Technical Representative to assist in the administration of certain responsibilities. The Technical Representative shall act as the Licensor’s principal point of contact for day-to-day operations and

ensure compliance with License Agreement. If no Licensor's Technical Representative is appointed, the responsibilities shall remain with the Licensing Officer.

C. Inspectors. Inspectors may work for the Licensing Officer or the Technical Representative, if one is appointed. Inspectors are authorized to perform day-to-day inspections and monitoring of the Licensee's work. The Embassy Health Unit will provide health, food safety & food service facility inspections based on US Department of State Office of Medical Services Food Service Sanitation Guide. The Facilities Maintenance Officer (FMO) will supervise the maintenance responsibilities of the Licensor in the cafeteria area. The General Services Officer (GSO) will provide inventory control of Licensor-furnished property. The Inspector(s) may inspect and monitor the services provided by the Licensee.

D. Authority to Amend the Agreement. In no instance shall the Technical Representative or Inspectors be authorized to amend the Agreement. Only the Licensing Officer may amend the Agreement.

V. INSPECTION

A. Responsibilities of the Licensee. The Licensee shall develop and maintain an inspection system intended to ensure quality of service and standards of sanitation and cleanliness. This system shall include written records of inspections made. These records shall be made available to the Licensor upon request.

B. Rights of the Licensor.

(1) The Licensor has the right to inspect the cafeteria premises as well as the actual services provided. This inspection may be made at any time, without prior notice. The Licensor shall perform the inspection in a manner that will not unduly delay the work of the Licensee. These inspections may include, but are not limited to, a comprehensive review of the following:

1. Service quality, attentiveness, courtesy, and similar factors
2. Food quality, presentation, merchandising
3. Sanitary practices and conditions
4. Personnel appearance
5. Training program techniques, schedules and records
6. Menu compliance, as indicated in the minimum acceptable menu profile

(2) Premises of the Licensee may be inspected, at no charge to the Licensor. The Licensee shall provide all reasonable facilities and assistance for the safe and convenient performance of these duties.

(3) The U.S. Embassy Health Unit, the Licensor's Technical Representative and/or professional health and food service inspectors shall perform periodic inspections to assure compliance with Agreement requirements and industry standards.

VI. TERMINATION

This Licensing Agreement may be terminated by written notice, issued by the Licensing Officer, when it is in the best interests of the Licensor. This termination may be made for (1) cause, such as failure of the Licensee to comply with the terms and conditions of this Agreement, or (2) convenience of the Licensor. Licensor is not required to give advance notice of termination. Upon termination, Licensee shall remove all of its property from the premises. Licensor shall not be responsible for any loss or damage incurred by the Licensee as the result of termination, including but not limited to losses due to spoilage of inventory, employee claims, personal property losses, and lost profits.

The Licensee may terminate this agreement upon ninety (90) days written notice to the U.S. Embassy.

VII. TERMS OF AGREEMENT

A. General. Exhibit A sets forth several reports which the Licensee is required to submit to the Licensor.

B. Utilities and Licensor-Furnished Property. The Licensee shall not be liable for payment of any rent or for reimbursement to the Licensor for utilities or use of Licensor-furnished property as a result of services provided under this Agreement. The Licensor will provide the equipment as listed on the attachment and provide all necessary utilities. See Section VIII below for potential liability on the part of the Licensee due to damage to USG equipment and property.

VIII. SPECIAL LICENSING AGREEMENT PROVISIONS

A. Security Access to Property. The Licensor reserves the right to deny access to Embassy-owned and operated facilities to any individual. The Licensee will provide names and biographic data on all personnel (including planned back-up personnel) who will be used on this Agreement at least ten (10) business days before they begin work.

B. Standards of Conduct. The Licensee shall be responsible for maintaining satisfactory standards of employee attitude, competency, conduct, cleanliness, appearance and integrity. The licensee shall be responsible for taking disciplinary action with respect to employees as may be necessary. Each Licensee employee is expected to adhere to standards of conduct that reflect credit on themselves, their employer and the Embassy. Licensee employees must use politeness and courtesy when dealing with Embassy personnel. The Licensor reserves the right to direct the Licensee to remove an employee for failure to comply with the standards of conduct.

C. Personal Injury, Property Loss or Damage Insurance.

(1) The Licensee, at its own expense, shall maintain insurance against fire, theft, flood, liability, and for employee medical and employment expenses, as required by local law. Insurance should cover all Licensee-owned and operated equipment behind the service counter.

(2) The Licensee shall provide certification that the required insurance has been obtained before beginning work.

D. Indemnification. The Licensor shall not be responsible for personal injuries or for damages to any property of the Licensee, its officers, agents, and employees, or any other person, arising from any incident of the Licensee's performance of this Agreement. The Licensee expressly agrees to indemnify and to save the Licensor, its officers, agents, servants, and employees harmless from and against any claim, loss, damages, injury, and liability, however caused, resulting from or arising out of the Licensee's fault or negligence in connection with the performance of work under this Agreement. Further, any negligence or alleged negligence of the Licensor, its officers, agents, servants, or employees, shall not bar a claim for indemnification unless the act or omission of the Licensor, its officers, agents, servants, or employees is the sole competent and producing cause of such claim, loss, damages, injury, or liability.

E. Protection of American Embassy Buildings, Equipment and Grounds. The Licensee shall use reasonable care to avoid damage to American Embassy buildings, equipment and grounds. If the Licensee's failure to take adequate care results in damage to any of this property, the Licensee shall repair the damage at no expense to the Licensor, as directed by the Licensing Officer.

F. Licensor-Furnished Property.

(1) The Licensor shall provide the property described in Exhibit B to this Agreement. Delivery of this property is completed when it is made available in the space designated for the Licensee's use in his operation of the cafeteria. The Licensee shall acknowledge in writing to the Licensing Officer receipt of the Licensor-owned equipment listed in Exhibit B.

(2) Title to all Licensor-Furnished property shall remain with the Licensor. The Licensee shall use the property only in connection with this Agreement.

(3) The Licensor shall maintain the official property control records of all Licensor-Furnished property.

(4) Upon taking delivery of the Licensor-Furnished property, the Licensee assumes the risk and responsibility for its loss or damage, except--

- (a) For reasonable wear and tear; or
- (b) As otherwise provided in this Agreement.

G. Precedence of English Language Translation. In the event of any inconsistency between the English language translation of this Agreement and any other language translation, the English language translation shall take precedence.

IX. DISPUTES

If the U.S. Embassy and Licensee fail to reach agreement over any disputed issue resulting from this Licensing Agreement, the sole remedy to both parties shall be referral of the disputed issue to the American Embassy Management Officer. That official's ruling shall be considered final and binding for both parties.

LIST OF EXHIBITS

Exhibit A - Performance Required Under the Licensing Agreement

Exhibit B - Floor Plans of Café Kitchen and Dining Area and Licensor-Furnished Equipment/Materials

Exhibit C - Holiday Schedule

EXHIBIT A

PERFORMANCE REQUIRED UNDER THE LICENSING AGREEMENT

I. SCOPE OF WORK.

The Licensee shall establish and operate the food service facilities shown in Section II below, for the purpose of dispensing food, nonalcoholic beverages and such other items as may be authorized by the Licensing Officer under this Agreement. This cafeteria is to be operated for the benefit of approximately one hundred sixty five (165) employees and clients who will be potential patrons of the cafeteria.

The Licensor shall not be held responsible for any variation in the employee population figure. The extent of cafeteria patronage is not guaranteed.

II. DESCRIPTION OF FACILITIES

A. Dining Facility. The dining facility is located in the main office building and consists of a dining room and a food preparation and service area. The dining area is approximately one hundred thirty two (132) square meters. The food preparation area consists of a kitchen, serving area with grill and warmer, storage pantry, dish washing area and walk in cooler. The food preparation area is approximately one hundred twenty (120) square meters. Located across from the food preparation area is a small office space for contractor use that is approximately twelve (12) square meters.

B. Seating. Seating is available for thirty-six persons at one time in the dining room. Multiple seatings will occur and take-away service will need to be provided.

C. Performance History and Future Expectations. Lunch and breakfast specials make up the greatest share of sales. The U.S. Embassy believes a varied menu serving food for both American and Latvian patrons will attract a larger clientele. Survey results from Embassy workers also notes a desire to have pre-packaged items available (i.e. salads, sandwiches and snacks) available for those with varied schedules.

III. HOURS OF SERVICE

A. Schedule. Service is required from 08:30-16:30 each day. Breakfast served from 08:30 to 10:00. Lunch served from 12:00 to 14:00 with snack bar, coffee, soft drinks and the like, available throughout the business day from 08:30 to 16:30. The Cafeteria will be closed on official Embassy holidays. Holiday schedule is shown in Exhibit C.

B. Schedule Modifications. The Licensor may change the hours and days of operation to be consistent with changes in Embassy policy. Licensee requests to modify hours or days of service shall be submitted to the Licensing Officer for approval at least five working days before required

modifications. In addition to routine service, the Licensee may also be approached by employees within the Embassy to cater evening meals, weekend events, luncheons, and special events. All events held on the Embassy compound must be approved by the U.S. Embassy or its Technical Representative and the Regional Security Officer (RSO).

IV. RESPONSIBILITIES OF THE LICENSEE

A. General. The Licensee shall provide prompt, efficient, and courteous service, and avoid undue interference with the operation of the Embassy while service is provided. The Licensee shall obtain licenses and permits and observe all applicable building, health, sanitary, and other regulations and laws. The Licensee shall:

- -employ sufficient and suitable personnel;
- -secure and maintain insurance;
- -maintain records;
- -submit reports; and,
- -observe other Agreement requirements.

The Licensee shall pay each and every fee, cost, or other charge incident to or resulting from operations under the Agreement. The Licensee shall exercise reasonable care in the use of space and Licensor-owned equipment. When the Agreement ends, the Licensee will yield such space and equipment in as good condition as when received, except for:

- -ordinary wear and tear; and
- -damage or destruction beyond the Licensee's control and not due to the Licensee's fault or negligence.

B. Service. The Licensee shall operate and manage the cafeteria in the Licensee's name at the Embassy. The Licensee shall remove any soiled dishes, provide clean dishes, and assure that tables and chairs are cleaned before each patron is seated. Dining facilities should leave a favorable impression of the Embassy to guests and employees. Space, facilities, and equipment provided by the Embassy must be consistently maintained in optimum condition and appearance.

C. Menus.

(1) The Licensee shall provide a variety of quality-prepared foods and beverages at reasonable prices. The variety and appearance of food in the cafeteria on each operating day shall be consistent with approved food service standards and comparable for American and European business cafeterias. The Licensee shall plan and advertise advance weekly menus through various media, in addition to posting daily menus near the service counter. The Licensee shall make a reasonable effort to adhere to the range of menus and prices submitted in its offer.

(2) If the Licensee believes that a price increase is necessary, it shall notify the Licensing Officer in writing. This notification must be submitted at least thirty (30) days before the requested effective date of the increase. This submission must include justification for the increase. The Licensee may submit the request for price adjustment using a percentage increase by menu category (entrees, vegetables, beverages, soups, desserts, etc.) or by listing individual items with the current price and the proposed new price.

(3) The Licensing Officer will review the requested price increase. If the Licensing Officer agrees with the increase, it will notify the Licensee in writing. If the Licensing Officer requires additional information/justification, the Licensee will be asked to provide that information. Once the U.S. Embassy has the information necessary to make a decision, it will (1) approve the increase, (2) recommend an increase of a specific lesser amount, or (3) deny any increase.

(a) If a lesser amount of increase is recommended, the Licensee may either accept that increase or submit a counter-offer. This procedure will continue until agreement is reached or either party notifies the other party in writing that no agreement is possible. If no agreement is reached, the Licensee will either (1) continue providing the services at the current prices or (2) have the unilateral right to notify the Licensor that it intends to terminate the Agreement. If the Licensee notifies the Licensor that it intends to terminate the Agreement, it must continue providing services for at least ninety (90) days from the date of termination notification.

D. Equipment and Utensils Provided by the Licensee. The Licensee provides all required equipment, flatware, china and glasses. Exhibit C provides a detailed list of the current cafeteria's inventory.

E. Sanitation and Quality.

(1) The Licensee shall serve tasty, appetizing, and quality food, under clean and sanitary conditions.

(2) All foods served shall be wholesome and free from spoilage, free from adulteration and misbranding, and safe for human consumption. Uncooked items, such as fresh fruits, shall be clean and free from blemish. All foods shall when served, be attractive in appearance and correct in temperature and consistency. They shall be crisp, moist, dry, tender, etc., as may be appropriate in each case.

(3) All employees assigned by the Licensee to perform work under this cafeteria Agreement shall be physically able to do their assigned work and shall be free from communicable diseases.

(4) Health Exams: The Licensee at his own expense shall have each employee receive the following health exams prior to employment and either yearly or after every trip to home country, which ever is more frequent. The result of these exams will be given to the Embassy's Health Unit Representative for review. No employee may work in the Cafeteria without the Health Unit's approval.

- (a) Chest x-ray
- (b) Exam of:
Mouth, (throat swabs)
Lungs,
Skin.
- (c) Blood Test

- (d) Urine Test
- (e) Stool Test for parasites & bacterial pathogens

F. Personnel and Supervision.

- (1) The Licensee shall employ enough personnel to maintain sanitary conditions and satisfactory service which will ensure prompt and efficient service at all times. All employees shall be sober, conscientious, neat, and courteous. The Licensee shall at all times provide adequate staff of food service employees to perform the varied and essential duties inherent to a successful food service operation. The Licensee will assure the Licensor that personnel serving food and cashiering will speak English.
- (2) The Licensee shall require that each employee assigned to work under this Agreement sign, or otherwise acknowledge, a statement that he or she is neither employed by the Licensor/Embassy and is neither entitled to any rights nor benefits of the Licensor/Embassy.
- (3) Licensee employees must be approved by Embassy security before working under this Agreement. The Licensee shall furnish personal history forms of all employees the Licensee proposes to work under this Agreement. These forms are available from the Embassy.
- (4) The Licensee shall employ a full-time manager unless the Licensee is an individual.
- (5) The Licensee's employees shall wear a distinctive item of clothing such as a badge, cap, armband, blouse, or uniform as a means of identification when they are in the building. The Licensee's employees shall wear proper uniforms, including hair nets and/or head covers when they are performing their duties in the building. Legible nameplates identifying each employee shall be displayed as part of the uniform.
- (6) The Licensee's employees shall be required to change their clothing in locker rooms and to maintain the room in a neat and clean condition.
- (7) Employees of the Licensee shall be fully capable of performing the type of work for which they are employed.
- (8) The Licensee shall provide adequately, trained relief personnel to substitute for the regular employees when they are absent so that a high quality operation will be maintained at all times.
- (9) The Licensee and its employees shall comply with instructions pertaining to conduct and building regulations in effect for the control of persons in the building.
- (10) The Licensee is required to schedule an employee training program that will continue for the duration of this Agreement and any extensions thereof, to ensure that employees perform their jobs with the highest standards of efficiency and sanitation.

(11) All articles found by the Licensee, the Licensee's agents or employees, or by patrons and given to the Licensee shall be turned in to the General Services office as lost and found items.

G. Trash Removal. The Licensee shall remove trash from the Cafeteria anytime that waste canisters are full or not less than once after every meal; whichever is greater. Any alteration to this provision must be directed in writing by the Licensing Officer.

H. Rodent and Pest Control. The Licensee shall maintain a clean work area free of any clutter, dirt or any material that would attract rodents and vermin.

I. Licensee Performed Repairs. The Licensor will perform the preventive maintenance and repair of the equipment listed in Exhibit B. The Licensee shall submit a work order to the Licensing Officer on the Embassy's standard form for all repair requests.

J. Cleaning and Janitorial Services.

(1) The Licensor shall provide all cleaning supplies and equipment. Supplies may be requested through the U.S. Embassy on the Embassy's expendable property request form.

(2) The Licensee shall furnish labor and supervision sufficient to maintain the cafeteria in a clean, orderly, and sanitary condition at all times. Before beginning work the Licensee shall submit to the U.S. Embassy the brand names or manufacturer of any materials proposed for use in connection with the work of this Agreement. The Facilities Maintenance Manager may reject any material that would be unsuitable for the purpose, or harmful to the surfaces to which it is to be applied.

(3) The Licensee shall perform cleaning and janitorial services on a regular schedule and shall meet the highest standards of sanitation common to the food service industry. The Licensee shall use the following cleaning schedule. The U.S. Embassy may require increases in this schedule if conditions require more frequent cleaning.

(a) Food and Service Facilities and Dining Halls

(1) Daily and After Each Meal

Furniture: Clean and sanitize after each meal.

Floors: Clean and sanitize after each meal.

Wash basins: Clean and sanitize after each meal,
and change hand towels after each meal.

Cold drink dispensers and ice cream machines:
Clean and sanitize daily.

Garbage: Remove after each meal.

Food Serving area: Clean and sanitize after each meal.

Table cloths: (if any) Replace after each meal.

(b) Kitchens

- (1) Daily and After each Meal:
Food service preparation area: Clean and sanitize after every meal.
Cookers: Clean after each meal.
Small appliances: Clean and sanitize after each use.
Pots and Pans: Clean and sanitize after each use.
Utensils: Clean and sanitize after each use.
Crockery: Clean and sanitize after each use.
- (2) Daily Basis:
Walls: Clean every second day.
Refrigerator: Clean floors and shelves daily.
Chillers: Clean and sanitize floors daily.
Freezers: Clean and sanitize floors daily.
- (3) Weekly:
Windows: Clean weekly.
Refrigerator sanitize weekly.
Clean hoods and filters in kitchen.
Freezers: Clean and sanitize shelves weekly.
- (4) Monthly:
Cooker Exhaust system: Check and clean minimum once monthly.
Freezers: Clean and sanitize walls once each month.
Chillers: Clean and sanitize walls once each month.
- (5) Semi-annually.
Perform cleaning of exhaust pipes.
Clean the tile walls in kitchen and dining areas.
Clean all fans and ventilators.

(4) Failure to keep any of the facilities in a clean condition may result in the withdrawal of the privilege of using such facilities. In addition, the U.S. Embassy may have the facility cleaned by other means and charge the cost of such work to the Licensee.

K. Security areas. The Licensee shall be responsible for the security of all areas under the jurisdiction of the Licensee. Designated employees shall have the responsibility for determining that all equipment has been turned off, lights and fans turned off, and doors locked when the cafeteria is closed. The Licensee shall make a matter of a daily report to the Guard office upon leaving the building. A key shall be available for emergency use only in the building security office.

L. Hazardous conditions. The Licensee shall eliminate unsanitary or hazardous conditions that are dangerous to anyone using the food facility. This shall include any employee, agent or

representative to the Licensee, Embassy employee or other patrons of the food service facility for any portion of the facility that is under the jurisdiction of the Licensee.

M. Liability. The Licensor will not be responsible in any way for damage or loss/occasioned by fire, theft, accident, or otherwise to the Licensee's stored supplies, materials or equipment, or the employees' personal belongings. The Licensee shall report any personal injury or physical damage to the building or equipment resulting from fire or other causes to the Facilities Manager immediately.

N. Fire and civil defense drills. The Licensee shall notify the Post 1 in the event of fire. All of the employees of the Licensee shall be organized and trained to participate in fire and civil defense drills including the reporting of fires. This shall be accomplished with the cooperation of the Embassy Management Officer and the Regional Security Officer.

O. Billing Procedures. Patrons will pay in Euros. U.S. Embassy will make no payments to the Licensee. The U.S. Embassy is not responsible for the debts of patrons.

P. Inventories:

(1) The Licensee will be asked to sign for the inventory of the Licensor- provided equipment and supplies located behind the counter in the kitchen, as listed in Exhibit B, of this Agreement. The Licensee shall exercise reasonable care in the use of facilities, equipment, and supplies and return the same in good condition when the Agreement ends. The Licensee shall not be liable for normal wear and tear or damage beyond its control. Should the Licensee wish to install or use locked facilities it must obtain GSO approval and leave keys with the Marine Post.

(2) Flatware, China and Glassware Inventories: Once each quarter, the Licensee shall provide an inventory of all Flatware, China and Glassware in the Cafeteria. Included in this inventory will be a listing of the Employees who took any of these items out of the Cafeteria.

V. RESPONSIBILITIES OF THE LICENSOR.

A. Agreement to Operate the Facility. The Licensor agrees to grant to the Licensee for 12 months the right to establish, manage, and operate a cafeteria in the U.S. Embassy Riga, to prepare and sell food, nonalcoholic beverages and such other products as the Licensor may authorize.

B. The Licensor will provide space for operations under the Agreement, as indicated. It will provide adequate ingress and egress, including a reasonable use of existing elevators, corridors, passageways, driveways, and loading platforms. The Licensor will provide space heating, space lighting, ventilation, and the utilities. In addition, the licensor will:

(1) Make such improvements and alterations as it may deem necessary, including improvements and alterations necessary to conform to applicable sanitary requirements.

- (2) Maintain and repair building structure in areas assigned for the Licensee's use, including:
- painting and redecoration;
 - maintenance of gas, water, steam, sewer, and electrical lines;
 - ventilation, electrical lighting fixtures (including relamping);
 - floors and floor coverings; and
 - walls and ceilings.

The Licensee shall bear the expenses of repairs necessary because of negligence on the part of the Licensee or its employees.

(3) At its own expense, provide, install, and permit the Licensee to use the equipment listed, and additional equipment of a similar type when required for any expansion approved by the U.S. Embassy. The Licensor will replace equipment that it has provided, as it deems necessary. Subject to adequate operation and handling of equipment by the Licensee, the Licensor will replace component parts of, and make repairs to such equipment.

C. Licensor-owned Equipment. Licensor-furnished equipment is listed in Exhibit B. The Licensor will provide all major equipment items, flatware, china and glassware, along with all consumable cleaning supplies.

VI. RIGHTS AND AUTHORITY OF THE LICENSOR

A. Oversight. The Licensing Officer shall oversee the quality of the services provided by the Licensee and the reasonableness of the prices charged. The Licensing Officer may submit a letter to the Licensee from time to time of any source of dissatisfaction and request correction. The requested correction must be implemented within the timeline indicated in the letter. In case of non-compliance with such a request, may be grounds for immediate termination of this Agreement.

B. Public Space. The Licensor reserves the right to use dining areas and other public spaces at other than serving periods, for meetings of Licensor employees or other assemblies. After each use, the Licensor will clean and rearrange the space without expense to the Licensee.

VII. RESTRICTIONS

A. Equipment. Unless otherwise permitted by the Licensing Officer, the Licensee shall not install equipment other than that specified in this Agreement or remove any Licensor-owned equipment from the premises.

B. Patronage. The facilities and services provided in this Agreement are for the benefit and convenience of Embassy employees. The Licensor may regulate patronage from other sources.

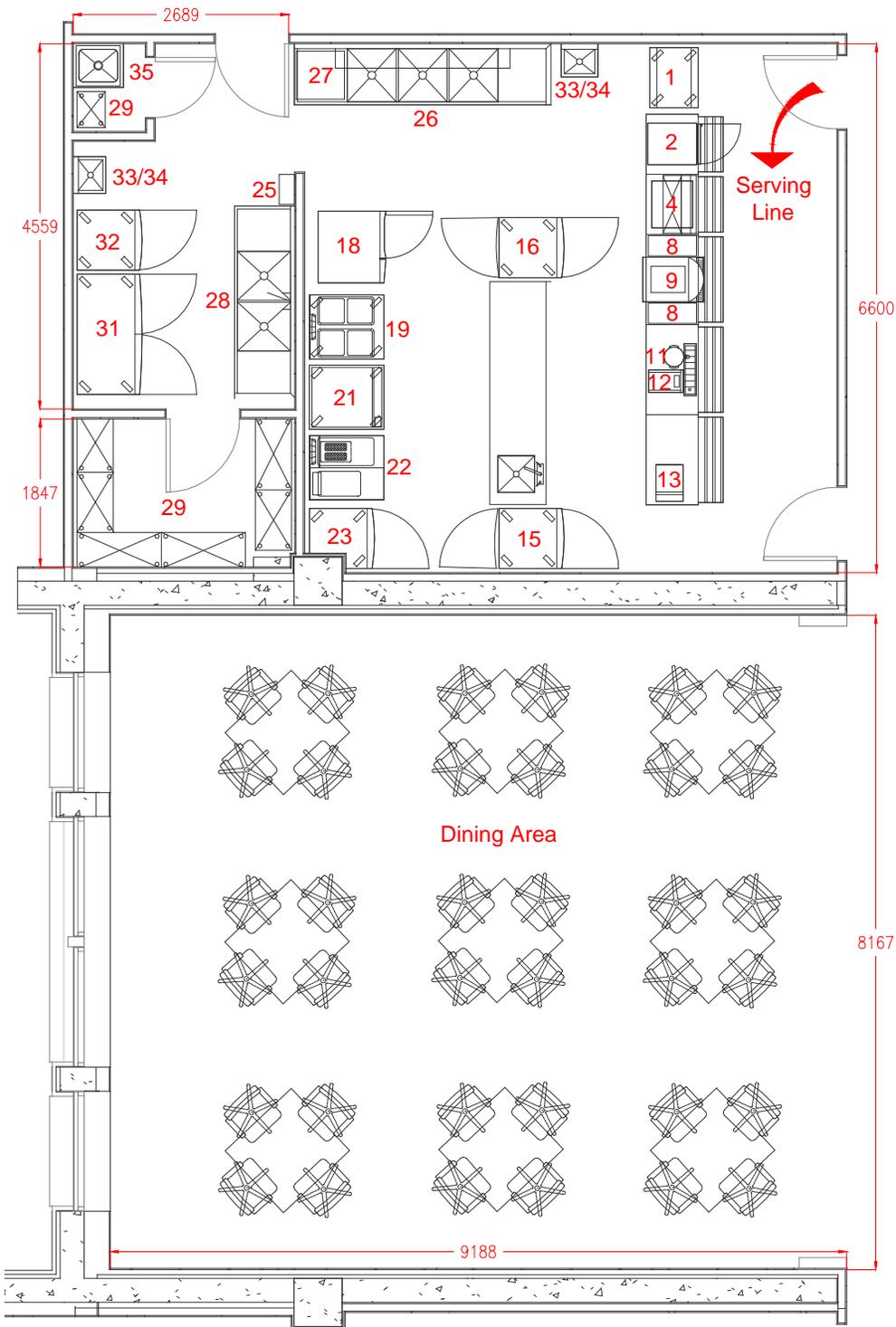
C. Federal Holidays. No work shall be performed on Embassy holidays. Exhibit C provides a listing of scheduled Embassy holidays.

D. Facilities. The physical facilities within the Embassy shall not be used in connection with operations not included in the Agreement. The Licensee may, however, utilize centralized food preparation and storage sources located elsewhere and bring goods to the Embassy daily.

VIII. DEFINITIONS The following definitions pertain to this Agreement.

- A. U.S. Embassy also known as and is interchangeable with “Licensor.”
- B. Licensing Officer: “Licensing Officer” means a person(s) with the authority to enter into, administer, and/or terminate Agreements and make related determination and findings.
- C. Licensee: “Licensee” means the individual or company that has entered into an Agreement with the U.S. Embassy. “Offer” means a response to a solicitation that, if accepted, would bind the offeror to perform the resultant Agreement.
- D. RSO: Regional Security Office of the American Embassy.
- E. GSO: General Services Office of the American Embassy.

EXHIBIT B- FLOOR PLANS OF CAFÉ KITCHEN AND DINING AREA AND LICENSOR-FURNISHED EQUIPMENT/MATERIALS



- 1. Tray/Silverware Dispenser
- 2. Reach-in Display Refrigerator
- 4. Hot Food Counter
- 8. Cup Dispenser
- 9. Ice Dispenser
- 11. Ice Tea Dispenser
- 12. Coffee Brewer
- 13. Space for Cash Register
- 15. Pass-thru Refrigerator
- 16. Pass-thru Heated Cabinet
- 18. Combination Oven/Steamer
- 19. Range/Oven
- 21. Griddle
- 22. Fryer
- 23. Reach-in Freezer
- 25. Fire Protection System
- 26. Pot Washing Sink
- 27. Dish Washer
- 28. Prep. Sink
- 29. Storage Shelves
- 31. Reach-in Refrigerator
- 32. Reach-in Freezer
- 33. Hand Sink
- 34. Soap and Towel Dispenser
- 35. Mop Sink

EXHIBIT C

HOLIDAYS SCHEDULE

The Cafeteria will be closed on the following official holidays observed by the American Embassy. Each year the Licensor will provide similar listing of holidays.

Embassy Riga will observe the following U.S. and local holidays in 2014:

<u>Date</u>	<u>Country</u>	<u>Description</u>
Wednesday, January 1	Latvian & U.S.	New Year's Day
Monday, January 20	U.S.	Birthday of Martin Luther King, Jr.
Monday, February 17	U.S.	Washington's Birthday
Friday, April 18	Latvian	Good Friday
Monday, April 21	Latvian	Easter Monday
Thursday, May 1	Latvian	Labor Day
Monday, May 5	Latvian	Proclamation of Independence
Monday, May 26	U.S.	Memorial Day
Monday, June 23	Latvian	Midsummer's Eve (Līgo)
Tuesday, June 24	Latvian	Summer Solstice (Jāņi)
Friday, July 4	U.S.	Independence Day
Monday, September 1	U.S.	Labor Day
Monday, October 13	U.S.	Columbus Day
Tuesday, November 11	U.S.	Veterans Day
Tuesday, November 18	Latvian	Latvian National Day
Thursday, November 27	U.S.	Thanksgiving Day
Wednesday, December 24	Latvian	Christmas Eve
Thursday, December 25	Latvian & U.S.	Christmas Day
Friday, December 26	Latvian	Boxing Day
Wednesday, December 31	Latvian	New Year's Eve

ENCLOSURE 2

BID PREPARATION INSTRUCTIONS, EVALUATION OF BIDS, AND AWARD SELECTION

I. INSTRUCTIONS ON TENDER PREPARATION

- A. General Information. Submit the tender electronically to BlissMM@state.gov or mail original prepared in such format and detail as to enable the Licensor to make a thorough evaluation. The tender package shall be sealed in an envelope clearly marked "OPERATION OF CAFETERIA SERVICES" and clearly identify your company name and manager and address. Identify and explain any deviations, exceptions, or assumptions taken regarding any of the instructions or requirements.
- B. Submit tenders written in English only.
- C. Submission Deadline. Submit the complete tender by **16:00, June 9, 2014**, to:

BlissMM@state.gov

or

American Embassy Riga

Attn: Mark M. Bliss

Samnera Velsa Street 1

Riga, LV-1510

Latvia

- D. Contents of Tender. The first part of the tender will address general information about the person/firm submitting the bid, including experience and references. The second part of the tender will address the performance requirements. **EACH TENDER MUST BE SIGNED BY A PERSON AUTHORIZED TO BIND THE FIRM. ACKNOWLEDGE ANY AMENDMENTS TO THIS INVITATION TO TENDER IN THE FIRST PART OF THE TENDER SO THE EVALUATORS CAN BE CERTAIN THAT THE TENDER REFLECTS ANY CHANGES TO TERMS AND CONDITIONS.** Address the following areas in the order shown below:

Part I - General Information

- (a). Prior Quality of Service and Experience. List all contracts and Licensing Agreements your company has held over the past three years for the same or similar work. Provide customer's name, address, and telephone numbers, dates, and number of personnel providing the services, dollar value and financial arrangements, brief description of the work, and any terminations and the reason for termination.
- (b) Financial Capability. Describe your company's financial condition and capability. State what percentage of your company's estimated total business the work under this solicitation would entail during the period of any Agreement. Provide a current financial statement. Describe any assets other

than cash, accounts receivable, land, buildings, or equipment carried on existing company balance sheets.

- (c) Other General Company Information. Provide copies of recent health inspections.

Part II – Performance Required

- (a) Menu cycle and variety.

(1) State the length of your menu cycle and how often it changes throughout the year. Provide the complete menu cycle that you will implement, showing selling prices and approximate weight in grams. Include your policy for featured specials, promotional events, and merchandising practices. Summarize the number of daily items under each food category, such as luncheon entrees, vegetables, salads, desserts, beverages, soups, bread and rolls, breakfast items, sandwiches, specials, grill items, etc. Summarize the total number of different items in each category for the complete menu cycle.

(2) For purposes of putting together offers, the following historical information may be of use. Survey of the Latvian and American employees who would potentially patronize the cafeteria indicates that there is an interest in a variety of food including vegetarian and non-vegetarian dishes served daily. While there is a preference to have both Latvian and American cuisine, available daily, there is also an interest in having other ethnic cuisine available periodically. The desire though is to have a changing variety throughout the week. The Latvian and American staffs appreciate the availability of a variety of fresh fruits and vegetables at each meal. They also like to have a variety of foods such as pizza, fish, kebabs, sashlik, grilled cheese sandwiches, hamburgers, french fries. Soups and pre-packaged sandwiches, salads and snacks are also highly desired items on the menu.

A strong request of both the Latvian and American staff is to have a fresh salad bar each day including items such as lettuce, vegetables and greens, cucumbers, olives, onions, shredded carrots, and salad condiments. There is a desire either to see three (3) different plate sizes with three prices commensurate with the portion size or to have the portions weighed and priced according to the gram weight of the portion. The salad bar must be included on most days.

Both the Latvian and American staff desire quick and healthy meals for the lunch menu. They prefer meals that are prepared with little to no cooking oil or butter. Basic quick sandwiches, on a variety of breads, like hamburger, hotdog, tuna, club sandwich, vegetarian sandwich and some specialty sandwiches such as wraps and BLTs (bacon, lettuce, tomato with toasted bread style sandwiches) served with garnishes and crisps and/or chips are desirable. A fixed sandwich menu is highly desirable for many of the staff.

Quick breakfast menu is wanted. Items like cereal, muffins, oatmeal, granola, low-fat yoghurt and fruit salad are wanted. Muffins and pastries are also desirable for both breakfast and quick snacks during the day. Additionally a cooked breakfast of eggs and meat, such as ham or bacon, is desirable.

(b) Menu portion, prices and standard unit measurement price. State your pricing policies and procedures for establishing portion sizes and prices. Provide a complete menu price and portion book and list of ingredients for those with allergies.

(c) Sanitation. Include standards, operating requirements, sanitation training programs, inspection procedures, frequency schedules, and management reports.

(d) Licensee's Maintenance, Use and Inventory Programs. Discuss use and inventory programs for all equipment and supplies used in performance of the Agreement. A preventative maintenance program shall include repairs, replacement, and other capital rehabilitation work.

E. Additional Procedures

(1) Amendment of Invitation to Tender. If this Invitation to Tender is amended, all terms and conditions not amended remain unchanged.

(2) Media of Tenders. Telegraphic and facsimile bids are not acceptable. After receipt of tenders, negotiations may be held. Additionally, individuals/companies submitting tenders may be requested to provide an oral presentation or even food/beverage samples.

(3) Timeliness of Tenders. Tenders must be received at the place designated for receipt of tenders, not later than the time and date specified in this Invitation to Tender. No tender received after the due date and time will be considered.

F. Site Visit and Conference. The Embassy will arrange for a site visit and conference on **May 22, 2014 at 15:00.** Interested parties should register by contacting Lindija Zemele at ZemeleLX@state.gov. The conference is intended to provide interested parties with the opportunity to discuss the requirements of this Invitation to Tender and the site visit will allow interested parties to view the area in which the cafeteria operations will take place. Interested parties are urged to submit written questions using the address provided in the cover letter to this Invitation to Tender by May 20, 2014.

II. EVALUATION OF TENDERS AND SELECTION FOR AWARD

A. Evaluation. To be acceptable and eligible for evaluation, evaluations must be prepared following the instructions in Section I above and must meet all the requirements set forth in the other sections of this Invitation to Tender. All tenders will be evaluated using the information presented as requested above in Section I.D., "Instructions on tender Preparation - Contents of tender."

B. Selection for Award. Award selection will be based on the best approach, taking into consideration the desire for quality service at reasonable menu prices, in combination with past service quality and experience. The U.S. Embassy may award this Agreement solely on the basis of the evaluation of the initial offers, without any negotiations, request for samples, or oral presentations. Therefore, tenders should be submitted on the most favorable terms possible.