

OHIO TURNPIKE COMMISSION

682 Prospect Street
Berea, Ohio 44017
(440) 234-2081

REQUEST FOR PROPOSALS FOR
SOUVENIR PENNY PRESS MACHINES

ISSUE DATE:

July 2, 2008

INQUIRY END DATE:

5:00 p.m. (E.D.T.), July 21, 2008

OPENING DATE:

2:00 p.m. (E.D.T.), July 29, 2008

ANSWERS TO QUESTIONS RECEIVED THROUGH JULY10, 2008

ANSWERS TO QUESTIONS RECEIVED THROUGH JULY 8, 2008

Q#1 As you look back at the income that your firm earned I would again ask the questions – is it better for you to own the machines and that way you keep all of the money?

A#1 No, the Commission does not engage in direct retail sales.

Q#2 With the physical mileage between Travel Plazas it has been difficult with our Service Reps to continue the level of Service we expect. One of the solutions has been to add an additional product. I understand you want to keep this an Apples to Apples proposal, but I was planning on presenting a new product. How should that be handled?

A#2 Responding Operators are free to propose other optional types of novelty units, but not in response to the RFP's Revenue Sharing Proposal. If proposed, optional units will not be evaluated in conjunction with the Penny Press Units.

Q#3 On your Exhibit B of meter counts, I need to verify that is the number of plays that each plaza generated. Is that correct, and also is the charge 50 cents? (If so, that means the total figure you gave me will be half that amount in dollars generated)

A#3 Your assumptions are correct. Each meter count is one (1) play. The current charge is \$.50 per play.

Q#4 On your request for personal bonding, can you be more specific on the type of personal bond required?

A#4 Personnel bonding, not personal bonding is required. Each employee who handles equipment and monies must be bonded in the amount of \$10,000 per employee. Your insurer should be able to help you with this.

Q#5 Collection of revenues: I know that I will be liable for the federal, state, and local taxes on all revenues generated. Since the state of Ohio is tax exempt, am I required to just pay the state taxes for my portion of the revenues, or for the full amount?

A#5 The Ohio Turnpike's tax exempt status is irrelevant to this issue. The Commission is to be paid from "gross receipts." Although we absolutely recommend that you verify with your own tax professional, gross revenues paid to the Commission could be construed as a business expense deductible to your firm. However, you are required to collect and remit sales tax payable to the State of Ohio on all sales subject to the tax.