Procurement and Contracting Services

Request for Proposals for University of Arizona Athletics Official Online Store

ADDENDUM #2

Please mark all proposal submission Envelopes with the following information

Sealed RFP # L222202
Due on 11-21-2021 no later than 2:00 PM, MST
Section 5.7 of the RFP document is hereby replaced with the following language:

Awarded vendor is expected to collaborate with the University of Arizona and mutual partners to produce and sell products featuring student-athlete NIL and approved University intellectual property as a part of a group licensing program. RFP applicants shall include a brief outline of their commitment/plans to fulfill this expectation with their response.

The Awarded vendor must provide the University of Arizona and Arizona Athletics direct access to (and ability to extract and download) customer contact databases and information.

The following questions were received before the Question/Inquiries deadline of October 28, 2021 at 12 PM MST.

1. What is University of Arizona's business size by channel?

   This RFP is focused on the internet distribution channel only. Please see Attachment 3 for 3-year online store metrics provided by our current partner.

2. What is the breakdown of your business by product type?

   In 2019 the internet distribution channel was 73% apparel and 26% non-apparel.

3. What is the University of Arizona business for your licensees?

   In 2019, top licensees for apparel in the internet distribution channel were:
   - NIKE
   - Colosseum
   - Fanatics Apparel
   - Top of the World by Fanatics
   - Zephyr
   - Ouray
   - New Agenda
   - Nike by Branded Custom Sportswear
   - Cutter & Buck
   - Outerstuff LLC

   In 2019, top licensees for non-apparel in the internet distribution channel were:
   - NIKE
   - Wincraft
   - Victory Tailgate
   - Team Beans
4. Could you share the YoY growth rate of your business?

Growth rate for the online store can be calculated from the 3-year store metrics provided by our current partner. See Attachment 3.

5. What is the traffic for your existing ecommerce store?

See Attachment 3 for 3-year store visit metrics provided by our current partner.

6. What is University of Arizona’s royalty rate?

Arizona’s royalty rates vary from 13% - 21%.

7. Is U of A willing to consider term lengths longer than five years and/or an automatic extension to the agreement pending the achievement of certain revenue thresholds through the first five-year term?

At this stage in the solicitation we would not be able to extend the agreement beyond the 5 years stated in the published RFP document.

8. The following questions are all related to Attachment A – the Information Privacy and Security Addendum (IPSA).

8. 4(vi) – Network Security
We operate a risk-based vulnerability management program and address vulnerabilities according to their severity with regards to our environment. We do not support outside auditing of this process, although our Level 1 PCI AOC provides 3rd party assurance that we are meeting acceptable standards in this regard. Is this acceptable?

Yes this is acceptable.

9. 7(a) – Audit and Testing
We do not currently possess a SOC 2, although we do make a completed HECVAT Lite available if requested. It's unclear if the Lite version would be acceptable in this
context and the completion of the full HECVAT is labor prohibitive. Would a Lite version be acceptable?
Yes this will meet our requirements.

10. Can you share e-commerce/online historical sales for to the athletics team shop for the last 3-5 years?

Please see attachment 3.

11. Can you provide traffic information for the e-commerce team shop for the last 3-5 years? Visits, conversion rates, per week, etc.?

Please see attachment 3.

12. Is it possible to have copies of the monthly analytic reports from last year?

Please see attachment 3.

13. Are there any sponsorships or licensing deals that impact the retail area in any way? (e.g. limitations on vendors or use of marks, exclusives, etc.) If so, please explain.

There are no sponsorships or exclusive licensing deals. Arizona’s royalty rates vary from 13% - 21%

14. Do you require that your merchandising concessionaire have any minimum commitments to any licensed vendors?

No the University of Arizona would like to see all licensees and partners be successful.

15. Do you have a list of top selling vendors by item?

Please see question 3.

16. Through this RFP process, may we secure a license to manufacture produce and sell officially licensed product?

Manufacturing and producing licensed products is outside of the scope of the current RFP.

17. May we create marketing assets for Arizona to send out on your behalf to drive merchandise sales to donor, alumni, faculty/staff, and season ticket holder databases? If so, how large are each of those databases?

Arizona Athletics has a subscriber listserv of over 150K and Donor/Customer Database of 400K. Athletics will not specifically give direct access to these
databases but will work with awarded vendor to make marketing and change-of-vendor announcements.

18. What is currently being done on the marketing front to drive sales? For example, how many dedicated emails, social media posts, digital marketing, OAS website ads etc.? Is this given at no cost or is current partner paying for these assets?

Arizona wants to see all our retail partners be successful. We engage in marketing campaigns depending on the season and are happy to partner on any licensed merchandise campaigns with our online partner.

19. How much is currently being spent on SEM/SEO?

Our current store provider invests in email marketing, social media marketing and search engine optimization on behalf of U of A at no cost to the University. Our partner sends multiple emails weekly, and the actual number is dependent on the time of year, hot market opportunities, and special promotions requested by U of A.

20. Who owns the existing online shop customer database? How many current customer emails are within that database?

Arizona Athletics has a subscriber listserv of over 150K and Donor/Customer Database of 400K. Athletics will not specifically give direct access to these databases but will work with approved vendor to make marketing and change-of-vendor announcements. Another database has been created and is maintained by our current vendor, to which Arizona does not have direct access.

21. Please confirm a completed VPAT is required for RFP Submission. Anything else at this time needed?

A completed VPAT is not required for RFP submission. However, if a vendor does not have one, we will provide a template form asking the vendor what they are doing to work towards accessibility. See the following URL for a direct link to that template form: https://itaccessibility.arizona.edu/sites/default/files/vpat_validation_guide-UA.doc

See the following URL for our webpage that addresses VPAT: https://itaccessibility.arizona.edu/guidelines/purchasing/vpat

22. What is the expected/estimated start date of the e-commerce site?

Specific timing would be negotiated during the post-award contracting process.

23. What is the current revenue share? Is there an existing annual guarantee?
See below extracted portion of the Royalty Share Payments section of the official online store contract with our current partner.

**Royalty Share Payments.** Operator shall pay to Representative, on a calendar quarterly basis during the Term, an amount equal to: (a) twenty-six percent (26%) of the Net Merchandise Revenue received by Operator for Orders other than for Digital Marketing Sales during the immediately preceding calendar quarter, and (b) five percent (5%) of the Digital Marketing Sales generated during the immediately preceding calendar quarter (collectively, the "Royalty Share Payment"). "Digital Marketing Sales" means Net Merchandise Revenue generated exclusively from Customers who access the Institution Online Store directly through advertisements purchased by Operator or its Affiliate.

24. When does your in-venue partnership contract expire? Will there/would there be an opportunity to bid on that business as well in the near future?

This question is beyond the scope of this solicitation.

25. For the last 3 years if available:

- Annual total E-comm sales (not including shipping & taxes), with sales broken down by marketing channel?
- Monthly total sales?
- Annual E-comm orders?
- Annual E-comm shop traffic?
- Annual shop conversion rate?

Please see attachment 3.

26. # of names in the current e-comm shop customer file? Will we have access to those names?

The University is willing to share relevant information we are allowed to under our current agreement.

27. Who owns the current shop URL?

Fanatics, Inc.

28. Monthly visitors to arizonawildcats.com?

Approximately 816K views monthly. In the last year Arizona Athletics has had 8,342,352 Unique Page views, 9,801,288 total page views.

29. # of social accounts?
Arizona Athletics has between 45-60 total social media accounts, including various different media accounts for each sport and main department account. University of Arizona Marketing & Communications manages the main institutional presence across all major social media platforms.

30. Sales by Product SKU?

The Bear Down Shop has anywhere from 1,600 to more than 2,000 SKUs at any given time. We are not able to provide this level of detail.

31. Sales by product category %?

In 2019 the internet distribution channel was 73% apparel and 26% non-apparel.

32. Any product categories you feel have been a missing?

The University will work with the awarded vendor on any gaps and trends that present as opportunities for growth.

33. Any specific product categories you would like us to explore (streetwear)?

The University will work with the Awarded vendor for any areas of growth.

34. List any “special” releases that have led to significant sales.

Over the years we’ve engaged with different retail partners around initiatives that support the University's purpose and values. These have included, but are not limited to; the Wildcat Sugar Skull, Operation Hat Trick and our partnership with our local military installation and special team recognitions. With our online partner we expect them to be interested and engaged in programs that make sense.

35. List any upcoming “special” dates, events, Anniversaries that we can use to drive sales.

Special games vary – territorial cup games, white-out for football, white-out for Men's basketball, heritage month events, and other holiday events from main campus. In 2022 will be the 10-year anniversary for our 2012 Baseball National Championship and the 25-year anniversary for our 1997 Basketball National Championship.

36. Target Launch date?

Please see question 22.

37. In section 1.2: confirming that the scope of the RFP is for the University of Arizona only?
Yes.

38. Sales for the past 3 years of the official online store for University of Arizona Athletics?

Please see attachment 3.

39. The financial/contract terms for the existing agreement for the official online store for University of Arizona Athletics.

Please see question 23.

End of addendum, all else remains the same.