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Amtrak Cascades Guidelines for Local Product Placement

AMTRAK CASCADDES FOOD AND BEVERAGE PROGRAM



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GUIDELINE SUMMARY

Do you have a Pacific Northwest food or beverage product that you think could sell well on a train?

The Amtrak Cascades team is always looking for ways to enhance the passenger experience and we would like to learn more about your product. Vendors interested in having their food and beverage products served on Amtrak Cascades passenger trains should fully understand our product placement requirements. The guidelines described in this document will help prospective vendors determine if pursuing product placement on Amtrak Cascades trains makes sense for their business and how to get a product featured on the Amtrak Cascades menu.

WHAT IS AMTRAK CASCADES?

Amtrak Cascades is a regional passenger rail service that connects 18 cities in Oregon, Washington, and British Columbia, Canada. Amtrak Cascades is operated by Amtrak and funded by the states of Oregon and Washington.

One of the most popular amenities offered on Amtrak Cascades trains is food and beverage service. Each train has a Bistro Car where fresh sandwiches, salads, snacks, coffee, soda, beer, wine and spirits, and other items are sold to passengers.

Amtrak Cascades trains strive to offer a variety of locally-sourced products, as well as top-selling national products. Offering local products helps give the trains a “Pacific Northwest vibe” that emphasizes Northwest cuisine and distinguishes Amtrak Cascades as a truly regional brand.

As Amtrak Cascades continues to grow in popularity, an increasing number of local vendors have reached out to Amtrak and the states of Oregon and Washington expressing interest in getting their products placed on the trains. Local food and beverage vendors recognize that placement on Amtrak Cascades trains can not only help establish these products as Pacific Northwest favorites, but also provide a unique product exposure that can drive up sales for these products at other sales outlets.

The Oregon Department of Transportation (ODOT) and the Washington State Department of Transportation (WSDOT), in conjunction with Amtrak, make up the Amtrak Cascades Team and have developed this product placement guide.

THE MARKET

Amtrak Cascades trains travel between Eugene, Oregon; Portland; Seattle and Vancouver, British Columbia, Canada. There are a total of eleven daily trains operating



on this route carrying between 900 and 3,000 total riders each day. Each train has approximately 270 seats, the average trip length for a passenger is just over 150 miles per trip, and the average amount of time a passenger spends on the train is about three hours.

THE BISTRO CAR SPACE

The Bistro Car, where people purchase their food and drinks, has a behind-the-counter space of approximately 800 cubic feet. Products are either stored at room temperature on countertops or in cabinets, or stored within small refrigerators and freezers. The Bistro Car also has two coffee-makers, two electric heating elements beneath large pots filled with ready-to-serve oatmeal and chowder, and two microwaves for heating products like packaged hamburgers, hot dogs and breakfast sandwiches. There are no grills, deep fryers, conventional ovens, espresso machines, toasters or prep cook stations in the Bistro Car. A small condiment bar is located in each Bistro Car where passengers can access small packets of mustard, ketchup, mayonnaise, relish, salt, pepper, sugar and creamer.



The Bistro Car attendant typically works alone and must take a passenger's order, prepare the order, collect payment and present the product to the passenger within a very short time frame. Passengers queue in front of the serving counter and along the narrow walkway through the car, so it is imperative that the Bistro Car attendant move quickly to keep the line from becoming too long and to maximize sales.

CURRENT MENU

The current Amtrak Cascades Food and Beverage menu features products that align with what passengers want on a relatively short trip and can be served within the constraints described above. Top sellers include coffee, bottled water, breakfast sandwiches and potato chips. The current menu can be viewed online at

http://www.amtrakcascades.com/sites/default/files/AmtrakCascadesBistromenu_0.pdf.

STEPS TO BECOMING A SUPPLIER ON AMTRAK CASCADDES TRAINS

The following diagram lists the steps that a prospective vendor, the states of Oregon and Washington, and Amtrak will take when exploring and selecting new food and beverage products for Amtrak Cascades trains. A more detailed discussion of each step begins on Page 4.

STEPS TO BECOMING A PRODUCT ON AMTRAK CASCADES

Step 1: Vendor Self-Assessment

- Vendor reviews initial selection criteria and the guidelines for product placement to determine whether Amtrak Cascades is the right fit for their product and business.
- If the vendor feels their product is appropriate for Amtrak Cascades, they can proceed to Step 2.

Step 2: Vendor Expression of Interest and the Taste Test

- Vendor will submit an Expression of Interest to the Amtrak Cascades team, using the attached form.
- The Amtrak Cascades team will determine if there is a business case for the product and request information and samples for evaluation.
- If there is a business case for the product and the Amtrak Cascades team likes the product, the vendor will be notified to proceed to Step 3.

Step 3: Vendor Qualification Check

- Amtrak will verify that the vendor meets state and federal requirements for interstate passenger rail food and beverage vendors and the vendor has appropriate levels of insurance.
- The vendor's production facilities must pass an Amtrak Public Health Inspection.
- If the vendor meets these requirements, they will be notified to proceed to Step 4.

Step 4: Vendor Negotiation

- Amtrak and the Managed Services Provider will meet with the vendor to discuss product details, including product pricing, minimum sales volumes, distribution and delivery logistics, product buy-back provisions, and other terms. An agreement will be negotiated and, if approved by the states of Oregon and Washington, formally endorsed by Amtrak and the vendor.
- Upon successful completion of Step 4, move on to Step 5.

Step 5: Product Placement

- The product will be placed on the trains for a trial period based on terms negotiated with Amtrak. At the end of the trial period, Amtrak and the states will review sales data and customer feedback. If the states and Amtrak determine the product to be a successful addition, the product will remain on the menu. If not, the product will be removed from the menu and the vendor agreement will be terminated. The remaining product will be returned to the vendor for credit/refund or donated to a local food bank or charity at the vendor's expense.

STEP 1: VENDOR SELF-ASSESSMENT – INITIAL SELECTION

CRITERIA *Is Amtrak Cascades the right fit for your business? In order to be eligible for further consideration for placement on-board Amtrak Cascades, potential vendors and products must meet the following criteria.*

- Vendor must be a legally registered business with Federal Tax ID Number or EIN.
- Vendor must meet Food and Drug Administration criteria for interstate trains. These include:
 - o The vendor must be a commercial supplier that is regulated and inspected by the USDA Food Safety Inspection Service, and complies with all applicable health regulations concerning the individual product.
- Vendor must be willing to allow Amtrak Public Health to perform a site visit of the production facility to inspect for cleanliness and food safety.
- The product must require minimal preparation time and be able to be prepared quickly and easily using an on-board microwave oven.
- The product must be easy to transport and easily storable and stackable in the dry and/or refrigerated storage spaces on the train with minimal damage or spoilage.
- The vendor's proposed product must be a beneficial addition to, or substitution for an item on, the current Amtrak Cascades menu. At least two or more of the following criteria must be met:
 - a) Is the product something new or different from products already featured on the Amtrak Cascades menu?
 - b) Does the vendor's product have a proven sales record at other sales outlets?
 - c) Is it a local or regional product rather than a national brand?
 - d) Is the product packaged in such a way that does not generate a lot of waste?
 - e) Is the vendor environmentally friendly and/or the product organic?

If you believe your product meets the above criteria, proceed to Step 2.

STEP 2: VENDOR EXPRESSION OF INTEREST (SEE SEPARATE ATTACHMENT) AND PRODUCT TASTE TESTING

Interested vendors should fill out the Vendor Expression of Interest form and submit the form to rail@wsdot.wa.gov. The Amtrak Cascades team will review the Expression of Interest to help determine if there is a business case for the product and vendor on Amtrak Cascades. Vendors may also provide market statistics, if available, to aid in the evaluation process.

The vendor will also be asked to provide information on the product, along with samples for taste testing. The taste test will be conducted by several members of the Amtrak Cascades team.

If the Amtrak Cascades team determines that there is a business case for the product based on a review of the Expression of Interest, market statistics and the product sampling, the vendor will be notified to proceed to Step 3.

STEP 3: VENDOR QUALIFICATION CHECK

Amtrak will verify the following vendor requirements before agreement negotiation begins.

- Vendor must be Food and Drug Administration approved for use on interstate trains (see criteria listed in Step 1). If the vendor has already been approved by other transportation service providers (airlines, ferries, etc.), that documentation will be reviewed by Amtrak and may expedite this step.
- Amtrak Public Health department must visit, inspect and approve the vendor's facility where the products are made and packaged.
- Vendor must be able to name Amtrak as an "additional insured" on the vendor's insurance policy and must carry \$10 million in Commercial General Liability insurance.
- To ensure product and consumer safety, Amtrak's Managed Services Provider (Aramark) requires the following policies, procedures and standards for acceptance to their "Preferred Supplier" network:
 - o Fully functional Hazard Analysis and Critical Control Points (HACCP) system
 - o Food Security Defense System
 - o Recall, Withdrawal and Stock Recovery Program
 - o Documented Sanitation and Pest Control Program
 - o Processing, Storage, Receiving and Distribution Programs
 - o Packaging and Labeling Standards (UPC Codes, Nutritional Information, etc.)

If the vendor meets the above requirements, the vendor will be notified to proceed to Step 4.

STEP 4: VENDOR NEGOTIATION AND AGREEMENT

Following the successful completion of the qualification check, Amtrak and Aramark will work with the vendor to execute a vendor agreement.

- Amtrak and Aramark will work with the vendor to negotiate:
 - o Product volumes and buy-back provisions if the product fails to sell
 - o Distribution logistics
 - o On-board advertising materials
 - o A product placement timeframe
 - o A trial placement period and sales targets



Amtrak's Food and Beverage Commissary at 222 South Holgate Street - Seattle

- The states of Oregon and Washington must formally endorse the vendor agreement.

Step 4 is the most important step in the process. If Amtrak and the vendor cannot reach agreement on these terms, or the states reject the terms, the process will end here.

If agreement can be reached, the vendor will be notified to proceed to Step 5.

STEP 5: PRODUCT PLACEMENT

- Vendor may be required to provide camera ready artwork or product samples to be used in photography for on board signage or printed menu collateral.
- Product will be delivered to Seattle Commissary for storage and loading.
- Amtrak Seattle will closely monitor sales data and make a recommendation to the states after an initial trial period to keep or discontinue the product on Amtrak Cascades trains.

Thank you for your interest in working with Amtrak Cascades! If you have any questions regarding our Food and Beverage Program, please contact us.

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