

RESOLUTION NO. 2001 - 100

AUTHORIZING CONTRACT 2001-035 WITH PEPSI AMERICAS TO PROVIDING BEVERAGE VENDING SERVICE AT PASSENGER FACILITIES FOR A PERIOD OF THREE YEARS, WITH TWO ONE-YEAR OPTIONS, REVENUE GENERATING (AMOUNT VARIABLE - BASED ON USAGE).

WHEREAS, the Greater Cleveland Regional Transit Authority plans to permit approximately 33 beverage vending machines at 23 locations throughout the Greater Cleveland area at selected Rapid Stations, Park & Rides, and Transit Centers; and

WHEREAS, having beverage vending machines located on Authority property is deemed desirable for public convenience, as well as generating revenue; and

WHEREAS, the proposal of Pepsi Americas, located at 4561 Industrial Parkway, Cleveland, Ohio 44135, was received to provide the best overall service and revenue plan for the type of vending activity at the GCRTA locations; and

WHEREAS, the General Manager deems the offer Pepsi Americas, as negotiated, to be in the Authority's best interest and recommends the same to the Board of Trustees.

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the proposal submitted by Pepsi Americas, as modified by negotiations, be accepted to be in the best interest of the Authority to provide beverage vending service for a period of three years, with two one-year options.

Section 2. That the General Manager be, and he hereby is authorized to enter into a contract with Pepsi Americas for a term of three years, with two one-year options, to provide beverage vending services.

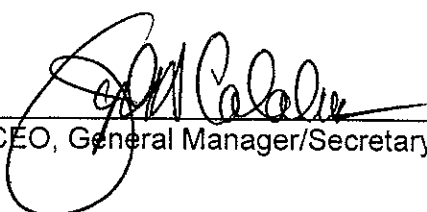
Section 3. That the proceeds to the Authority shall be deposited into the General Fund.

Section 4. That said contract shall be binding upon and an obligation of the Authority and contingent upon compliance by the contractor to Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2001-064; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: July 24, 2001

  
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President

Attest:   
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CEO, General Manager/Secretary-Treasurer

## Attachment 1

### Key Features of Pepsi Americas Revenue Proposal

1. GCRTA receives 50% commission on revenue generated by each machine less taxes. Beverages will be priced at \$1.00 per 20 oz plastic containers with resealable caps.
2. Pepsi Americas will provide vending equipment and bear all costs associated with the manufacturing, maintenance, and installation of the equipment. The company assumes all risk of equipment loss or damage.
3. Machines will be secured to prevent tipping, and the vendor will provide \$100 per location to assist in the cost of providing electrical access for those locations where outlets are not readily available.
4. Pepsi Americas will provide the following **marketing initiatives** at no cost to GCRTA:
  - a. Minimum 1 truck back promotion per year on 100 trucks for 1 month
  - b. Minimum 1 RTA vending game per year
  - c. Minimum 1 National Pepsi Vending game as available
  - d. Minimum 100 GRP Radio tags
  - e. Minimum 1 Pepsi retail partner promotion, contingent on mutual agreement between Pepsi, GCRTA, and specific partner.
  - f. Minimum 1 Pepsi On-premise Partner promotion, contingent upon mutual agreement between Pepsi, GCRTA, and specific partner.
  - g. Support minimum one RTA developed program (may include product donation, sweepstakes, or creative development program up to \$2, 000 per year.