

RESOLUTION 2003-152

AUTHORIZING CONTRACT NO. 2003-063 WITH AVI FOODSYSTEMS, INC. TO PROVIDE VENDING SERVICES AUTHORITY-WIDE FOR A PERIOD OF THREE YEARS WITH TWO ADDITIONAL ONE-YEAR OPTIONS - REVENUE GENERATING (VARIABLE AMOUNT BASED ON USAGE).

WHEREAS, the Authority would like to continue to provide Authority-wide vending services to its employees, and in addition create a source of revenue; and

WHEREAS, the offer of AVI Foodsystems, Inc., located at 2590 Elm Road, Warren, Ohio 44483 to provide vending services for a period of three years with two additional one-year options, was received on June 13, 2003; and

WHEREAS, after negotiations, a commission rate of 27.2% on all food/beverage items and commission rate of 50% on all games with an annual guaranteed minimum of \$60,000.00 for a period of three years with two additional one-year options was agreed upon; and

WHEREAS, the General Manager deems the offer of AVI Foodsystems, Inc., after negotiations, to provide vending services Authority-wide for a period of three years with two additional one-year options to be advantageous to the Authority and recommends acceptance thereof by 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 offer of AVI Foodsystems, Inc., as modified by negotiations, to provide vending services Authority-wide for a period of three years with two (2) one-year options be and the same is hereby accepted as to be in the best interest of the Authority.

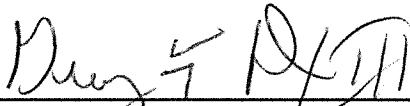
Section 2. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with AVI Foodsystems, Inc. to provide vending services for a period of three years with two additional one-year options.

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

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor to Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2003-107; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

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

Adopted: October 21, 2003



President

Attest: 

CEO, General Manager/Secretary-Treasurer

Form
100-326
07-03-97



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

Title/Description: AUTHORIZING CONTRACT NO. 2003-063 WITH AVI FOODSYSTEMS, INC. TO PROVIDE VENDING SERVICES AUTHORITY-WIDE FOR A PERIOD OF THREE YEARS WITH TWO ADDITIONAL ONE-YEAR OPTIONS - REVENUE GENERATING (VARIABLE AMOUNT BASED ON USAGE).	Resolution No.: 2003- 152
	Date: October 16, 2003
	Initiator: Support Services
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a three year contract with two additional one-year options for vending services providing food, beverages and entertainment (pool tables, video games) to the GCRTA employees. While providing these services for the employees this contract will also create a source of revenue for the Authority.

2.0 **DESCRIPTION/JUSTIFICATION:** The Authority has approximately 2,700 employees. Many of the locations are benefited by the availability of vending machines for food, beverages and pool/video games. This action will allow the Authority to enter into an agreement to provide vending services throughout Authority facilities. The current vending services contract provides an estimated \$1,400 per month (approximately \$16,800 per year) in revenue. The new contract will bring in a guaranteed minimum of \$5,000 per month (\$60,000 per year). This results in an increase of \$3,600 per month (\$43,200 per year) in revenue.

3.0 **PROCUREMENT BACKGROUND:** Requests for Proposal were sent to fourteen potential vendors. Five proposals were received on June 13, 2003 for this solicitation. After evaluation by a panel of Authority employees in accordance with established Procurement Policies and Procedures and negotiations, the proposal of AVI Foodsystems, Inc. was determined to be most advantageous to the Authority to provide vending services. A commission rate of 27.2% was negotiated for the three years as well as the two additional one-year options. AVI Foodsystems, Inc. is headquartered in Warren, Ohio having 49 branch offices in seven (7) states; three (3) of which are in the Greater Cleveland area. AVI produces their own food/bakery items in their Warren facility. AVI Foodsystems, Inc. includes in their client list: SMART Community Transit, COTA – Central Ohio Transit Agency, USG Interiors, The Cleveland Clinic Foundation, Ohio Turnpike Commission and the City of Westlake.

A cost analysis was performed and the Procurement Department has determined the negotiated rates to be fair and reasonable to the Authority.

4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of subcontracting opportunities.

- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: Proceeds to the Authority from said contract shall be deposited into the General Fund.
- 7.0 ALTERNATIVES: Reject all proposals. Rejection of this offer would leave the GCRTA employees without the ability to purchase vending items. In addition, the revenue generated by this contract would be eliminated.
- 8.0 RECOMMENDATION: It is recommended that the proposal of AVI Foodsystems, Inc. be accepted and the resolution passed authorizing the General Manager to enter into a contract.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer