

RESOLUTION NO. 2008-156

AUTHORIZING CONTRACT NO. 2008-222 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 UPON SALES)

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

WHEREAS, the proposal 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 September 24, 2008; and

WHEREAS, after negotiations, a commission rate of 28% on all food/beverage items and a commission rate of 50% on all games with an annual guaranteed minimum of \$65,000.00 and a \$10,000.00 signing bonus for a period of three years with two additional one-year options was agreed upon; and

WHEREAS, the General Manager/Secretary-Treasurer 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 in the Authority's best interest 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 proposal submitted by AVI Foodsystems, Inc., as modified by negotiations, to provide vending services, Authority-wide for a period of three years, with two one-year options be and the same is hereby accepted.

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


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 2008-061; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

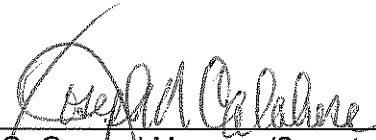
Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that AVI Foodsystems, Inc. will attempt to exceed the 0% DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: November 18, 2008



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2008-222 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 UPON SALES)	Resolution No.: 2008-156
	Date: November 13, 2008
	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 contract for vending services providing food, beverages and entertainment (pool tables/video games) to the GCRTA employees a period of three years with two one-year options thus creating a source of revenue for the Authority.
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority has approximately 2,700 employees. Many locations are benefited by the availability of vending machines for food, beverages and entertainment. This action will allow the Authority to enter into an agreement for vending services throughout Authority facilities. The current vending services contract has produced approximately \$60,000 in revenue per year. The new contract promises a guaranteed minimum of \$65,000 per year in revenue.
- 3.0 PROCUREMENT BACKGROUND: The Request for Proposal was posted on the GCRTA web site and advertised in the local newspapers. Proposals were received on September 24, 2008 for this solicitation. After evaluation by a panel of Authority employees in accordance with established Procurement Policies and Procedures, and subsequent negotiations, the proposal of AVI Foodsystems, Inc. was determined to be the most advantageous to the Authority to provide vending services. A commission rate of 28% was negotiated for the three years as well as the two one-year options. AVI Foodsystems, Inc. is headquartered in Warren, Ohio having 51 branch offices in 7 states; 5 of which are in the Greater Cleveland area. AVI produces their food/bakery items in their Warren facility. Clients of AVI Foodsystems, Inc. include: National City Bank, Cleveland Plain Dealer, Cuyahoga Community College, Case Western Reserve University, Lincoln Electric, Queen City Metro-Cincinnati, Greater Dayton Regional Transit Authority, Central Ohio Transit Authority and Western Reserve Transit Authority.

A revenue analysis was performed and the Procurement Department has determined the negotiated commission rates to be fair and reasonable to the Authority.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of certified DBE firms.

- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: The exact amount of revenue that will be generated is directly dependent upon the sales generated. Funds shall be deposited into the General Fund.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of the 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., as modified by negotiations, be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer 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