

RESOLUTION NO. 2014-6

AUTHORIZING CONTRACT NO. 2013-183 WITH AVI FOOD SYSTEMS, INC. TO PROVIDE VENDING SERVICES AUTHORITY-WIDE, FOR A PERIOD OF THREE YEARS WITH TWO, 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 Food Systems, 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 December 3, 2013; and

WHEREAS, a commission rate of 28.5% on all food/beverage items and a commission rate of 50% on all games, with an annual guaranteed minimum of \$67,000.00 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 has deemed the offer of AVI Food Systems, Inc., as negotiated, to be in the best interest of 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 Food Systems, Inc. to provide Authority-wide vending services for a period of three years with two, one-year options, 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 Food Systems, Inc. to provide Authority-wide vending services for a period of three years, with the authority to exercise two, one-year options, subject to approval by the General Manager/Secretary-Treasurer.

Section 3. That the proceeds to the Authority shall be deposited into the Employee Activity and Incentive Fund.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2013-031; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that AVI Food Systems, 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: January 21, 2014

  
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President

Attest:   
\_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



<b>TITLE/DESCRIPTION:</b> <b>CONTRACT:</b> VENDING SERVICES AUTHORITY-WIDE, FOR A THREE YEAR PERIOD WITH TWO, ONE-YEAR OPTIONS  <b>VENDOR:</b> AVI FOOD SYSTEMS, INC.  <b>AMOUNT:</b> REVENUE GENERATING	<b>Resolution No.:</b> 2014-6
	<b>Date:</b> January 16, 2014
	<b>Initiator:</b> Support Services
<b>ACTION REQUEST:</b> <input checked="" type="checkbox"/> Approval      Review/Comment      Information Only      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 for 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 2300 employees. Many locations are benefited by the availability of vending machines for food, beverage and entertainment. This action will allow the Authority to enter into an agreement for vending services Authority-wide.
  
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposal (RFP) was posted on the procurement website and advertised in the local newspapers. Seven prospective proposers downloaded the solicitation and two responded on December 3, 2013. After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, the proposal of AVI Food Systems, Inc. was determined to be the most advantageous to the Authority to provide vending services. A commission rate of 28.5% (.05% more than the previous contract) was agreed upon. This new contract will provide a guaranteed minimum of \$67,000 per year in revenue. AVI Food Systems, Inc. is headquartered in Warren, Ohio, with 51 branch offices in 7 states, 5 of which are in the Greater Cleveland area. AVI produces its food/bakery items in its Warren facility.  
  
 AVI Food Systems, Inc. has successfully provided vending services to the Authority for the past 10 years. In addition to having held previous contracts with the Authority, other clients include Fifth Third Bank, Ford Motor Company, General Electric, PNC, The Ohio State University, Queen City Metro, Greater Dayton Regional Transit Authority, Central Ohio Transit Agency and Western Reserve Transit Authority.  
  
 A revenue analysis has been performed and the Procurement Department has determined that the negotiated commission rates are fair and reasonable to the Authority.
  
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** The Office of Business Development does not conduct Affirmative Action reviews or establish DBE goals on revenue generated agreements.
  
- 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 Employee Activity and Incentive Fund.
- 7.0 ALTERNATIVES: Reject this offer. 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 Food Systems, Inc. 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.



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CEO, General Manager/Secretary-Treasurer