

RESOLUTION NO. 2019-32

AUTHORIZING CONTRACT NO. 2018-143 WITH STEPHEN J HALL DBA FIRELANDS VENDING 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 Greater Cleveland Regional Transit Authority would like to provide Authority-wide vending services to its employees and create a source of revenue; and

WHEREAS, the proposal of Stephen J Hall dba Firelands Vending, located at 2201 George Street, Sandusky Ohio 44870, to provide vending services for a period of three years with two, additional one-year options, was received on January 24, 2019; and

WHEREAS, Stephen J Hall dba Firelands Vending's proposal included a tiered commission rate on all food/beverage items: 16% commission on annual sales of \$0-\$400,000; 17% commission rate on annual sales of \$400,001-\$480,000, and 18% commission rate on annual sales exceeding \$480,000, as well as a commission rate of 50% on all games and an annual guaranteed minimum revenue of 70,008.00 resulting in a total minimum guarantee of \$350,040.00 for a five-year period; and

WHEREAS, the Interim CEO, General Manager/Secretary-Treasurer deems the offer of Stephen J Hall dba Firelands Vending 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. The offer of Stephen J Hall dba Firelands Vending to provide Authority-wide vending services for a period of three years with two, one-year options is hereby accepted.

Section 2. That the Interim CEO, General Manager/Secretary-Treasurer be and he is hereby authorized to enter into a contract with Stephen J Hall dba Firelands Vending, 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 Interim CEO, General Manager/Secretary-Treasurer.

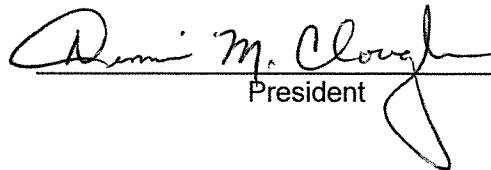
Section 3. That the proceeds to the Authority shall be deposited in the Employee Activity and Incentive Fund.

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. 2015-076; 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 Stephen J Hall dba Firelands Vending, will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

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

Adopted: March 26, 2019



President

Attest: 

Interim CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: VENDING SERVICES AUTHORITY-WIDE, FOR A PERIOD OF THREE YEARS WITH TWO, ONE-YEAR OPTIONS VENDOR: STEPHEN J HALL DBA FIRELANDS VENDING AMOUNT: REVENUE GENERATING	Resolution No.: 2019-32
	Date: March 21, 2019
	Initiator: Support Services Department
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 to provide food, beverages, and entertainment to GCRTA employees for a period of three years with two, one-year options creating a source of revenue for the Authority.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority has approximately 2100 employees. Many locations are benefited by the availability of vending machines for food, beverage, and entertainment. Service provided by the vendor includes providing, installing, and maintaining all equipment. The vendor will bear all costs associated with the operation of the equipment.
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals (RFP) was posted on the Procurement section of the Authority's web site and advertised in the local newspapers. Eight interested parties downloaded the solicitation. Two responsive proposals were received on January 24, 2019. After evaluation by a panel of Authority employees, in accordance with established Procurement Department policies and procedures, the proposal of Stephen J Hall dba Firelands Vending ("Firelands Vending"), was determined to be the most advantageous to the Authority.

Firelands Vending proposed a tiered commission rate on all food/beverage items: 16% commission on annual sales of \$0-\$400,000; 17% commission rate on annual sales of \$400,001-\$480,000; 18% commission rate on annual sales exceeding \$480,000.; and a commission rate of 50% on all games. Firelands Vending agreed to maintain these commission rates for a period of three years with two, additional one-year options. Firelands Vending's proposal also contained an annual guaranteed minimum revenue of \$70,008.00. This results in a total minimum guarantee of \$350,040.00 for the five-year period.

Firelands Vending is headquartered in Sandusky, Ohio. They will provide new vending machines with many features, including access to reporting capacity to enable GCRTA to view real time sales reports for each machine, touchscreen technology on each machine, and the ability for employees to view nutritional information about products before purchase. Each machine will have credit card capabilities. Firelands Vending will absorb all credit card fees. Water coolers, microwaves and condiment stands will be provided at no cost to GCRTA. Firelands Vending's client base includes The Cleveland Clinic, Ohio Department of Transportation, Ohio Veteran's Home, University of Findlay, City of Norwalk, ProMedica Hospital Systems, Allen County Government, and Bowling Green State University.

A revenue analysis has been performed and the Procurement department has determined that the negotiated guaranteed annual minimum and 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 goals on revenue generating 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: This procurement was discussed by the Board of Trustees at the March 5, 2019 and March 26, 2019 Organizational, Services & Performance Monitoring meetings. It is recommended that the offer of Stephen J Hall dba Firelands Vending be accepted and the resolution passed authorizing the Interim CEO, 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.



Interim CEO, General Manager/Secretary-Treasurer