

RESOLUTION NO. 2024-70

AUTHORIZING CONTRACT NO. 2024-73 WITH STEPHEN J. HALL DBA FIRELANDS VENDING TO PROVIDE AUTHORITY-WIDE VENDING SERVICES 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 ("Authority") seeks to offer vending services Authority-wide, thereby providing employees with convenient access to snacks and beverages while generating a source of revenue; and

WHEREAS, the proposal of Stephen J. Hall dba Firelands Vending ("Firelands"), located at 2201 George Street, Sandusky Ohio 44870, to provide vending services for a period of three years with two, one-year options was received on May 22, 2024; and

WHEREAS, Firelands has proposed a 19% commission rate on all non-perishable food and beverage items with a commitment to maintain this rate for three years, plus two optional one-year extensions, guaranteeing a minimum annual revenue of \$72,000.00 for a total minimum revenue of \$216,000.00 over three years and \$360,000.00 over five years if the two, one-year options are exercised; and

WHEREAS, any sales exceeding the guaranteed amount will be paid at the 19% commission rate by January 20th following the end of the calendar year; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer of Firelands, 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 Firelands to provide vending services for a period of three years with two, one-year options be and the same is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer of the Authority be and she is hereby authorized to enter into a contract with Firelands to provide vending services for a period of three years with authority to exercise two, one-year options.

Section 3. The exact amount of revenue that will be received is directly dependent upon the sales generated. Funds 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; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Authority's Board of Trustees expects that Firelands will attempt to exceed the 0% DBE goal assigned to this procurement.

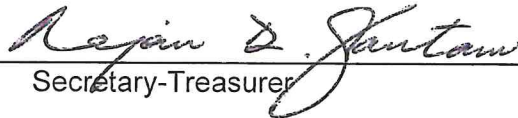
Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: September 24, 2024



President

Attest:



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.: 2024-70
	Date: September 19, 2024
	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 Greater Cleveland Regional Transit Authority (“Authority”) to enter into a contract to provide food and beverages for the Authority’s 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 employs approximately 2,200 people across various locations, many of whom benefit from on-site vending machines offering food and beverages. The vendor is responsible for providing, installing, and maintaining all vending equipment as well as covering all associated operational costs.

3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals (“RFP”) was posted on the Authority’s Procurement website and advertised in local newspapers. Fifteen (15) interested parties, including potential subcontractors, downloaded the solicitation package. Three (3) proposals were received on May 22, 2024. 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, located in Sandusky, Ohio, was determined to be the most advantageous to the Authority.

Stephen J. Hall dba Firelands Vending (“Firelands”) has proposed a 19% commission rate on all non-perishable food and beverage items with a commitment to maintain this rate for three years, plus two optional one-year extensions. Fireland’s proposal guarantees a minimum annual revenue of \$72,000.00 for a minimum revenue total of \$216,000.00 over three years and \$360,000.00 over five years if both of the options are exercised. Any sales exceeding the guaranteed amount will be paid at the 19% commission rate by January 20th following the end of the calendar year.

Firelands provides the latest models of vending machines. These machines will be upgraded with credit card readers capable of accepting tap, EMV chip, and swipe payments. Each machine will feature a service sticker enabling customers to submit help and refund requests. Refunds will be issued electronically via Venmo, PayPal, and Zelle, with Firelands covering any associated fees.

The Procurement Department performed a revenue analysis and determined the proposed 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 received 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 Authority's 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 September 10, 2024 Organizational, Services & Performance Monitoring Committee meeting. It is recommended that the offer of Stephen J. Hall dba Firelands Vending be accepted and the resolution adopted authorizing the General Manager, Chief Executive Officer 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.



General Manager, Chief Executive Officer