

COMMISSION ITEM SUMMARY

Condensed Title:

Request for Approval To Issue A Request for Proposals ("RFP") for the Operation of Snack Vending Machine Concessions at Various City-Owned Properties and Facilities

Key Intended Outcome Supported:

Increase resident satisfaction with level of services and facilities.

Supporting Data (Surveys, Environmental Scan, etc.): Approximately 40% of retail businesses surveyed, rank Miami Beach as one of the best places to do business and 61% of the same group would recommend Miami Beach as a place to do business.

Issue:

Shall the Mayor and City Commission approve the issuance of the RFP?

Item Summary/Recommendation:

On July 27, 2005, the Mayor and the City Commission authorized the Administration to negotiate and enter into a contract with Brothers Vending for the operation of vending and snack machines at various locations on City-owned properties and facilities. The initial contract term was for two (2) years commencing November 1, 2005 and expiring October 31, 2007 with three (3) additional one (1) year renewal options, that were all exercised.

On January 13, 2010, the City approved an agreement with the Superlative Group to proceed with Phase 2 of a citywide marketing/corporate sponsorship program.

On September 15, 2010, the Finance and Citywide Project Committee recommended to retain Brothers Vending on a month-to-month contract, after the expiration of the third and final option term (which was expiring on October 31, 2010), until such time that the City developed and issued a competitive process for an "official beverage sponsor." The City is finalizing its negotiations with an official beverage sponsor and the sponsorship will not include snack vending.

As the previous beverage and snack machine vending contract is operating on a month-to-month basis, it is recommended that the City Commission authorize an RFP for a snack vending contract so that the City employees, the public and visitors to City-owned properties and facilities may continue to enjoy the convenience of purchasing snacks from vending machines located on the premises of City-owned properties and facilities. The Proposed RFP Scope of Services and Evaluation Criteria are attached, subject to change.

Advisory Board Recommendation:

N/A

Financial Information:

Source of Funds:	Amount	Account
1	N/A	
OBPI	Total	
Financial Impact Summary: N/A		

City Clerk's Office Legislative Tracking:

Gus Lopez and Anna Parekh

Sign-Offs:

Department Director	Assistant City Manager	City Manager
GL AP	<i>[Signature]</i>	JMG <i>[Signature]</i>

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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: July 13, 2011

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE A REQUEST FOR PROPOSALS ("RFP") FOR THE OPERATION OF SNACK VENDING MACHINE CONCESSIONS AT VARIOUS CITY-OWNED PROPERTIES AND FACILITIES.**

ADMINISTRATION RECOMMENDATION

Approve the issuance of the RFP.

BACKGROUND

On February 2, 2005, the City Commission adopted Resolution No. 2005- 25804, authorizing the issuance of an RFP to solicit proposals for the operation of beverage and snack vending machine concessions at various locations on City property and facilities

On June 3, 2005, the City Manager via Letter to Commission No. 141-2005, appointed an Evaluation Committee (the "Committee") to evaluate the proposals received in response to RFP No. 09/04-05. The Committee recommended Brother's Vending Inc. ("Brothers Vending") and, subsequently, on July 27, 2005, the Mayor and the City Commission authorized the Administration to negotiate and enter into a contract with Brothers Vending for the operation of beverage and snack vending machines at various locations on City-owned properties and facilities. The initial contract term was for two (2) years commencing November 1, 2005 and expiring October 31, 2007 with three (3) additional one (1) year renewal options, that were all exercised.

On January 13, 2010, the City approved an agreement with the Superlative Group to proceed with Phase two of a citywide marketing/corporate sponsorship program. On September 15, 2010, the Finance and Citywide Project Committee recommended to retain Brothers Vending on a month-to-month contract, after the expiration of the third and final option term which was expiring on October 31, 2010, until such time that the City developed and issued a competitive process for the broader sponsorship program, for an "official beverage sponsor." The City is finalizing its negotiations with an official beverage sponsor and the sponsorship will not include snack vending.

ANALYSIS

As the previous beverage and snack machine vending contract is operating on a month-to-month basis, and the City is negotiating a beverage vending program as part of a sponsorship deal, it is recommended that the City Commission authorize an RFP for a snack vending contract so that the

City employees, the public and visitors to City-owned properties and facilities may continue to enjoy the convenience of purchasing snacks from vending machines located on the premises of City-owned properties and facilities. The proposed RFP Scope of Services and Evaluation Criteria are attached, subject to change.

The snack vending machine RFP is very similar to the last RFP used by the City when this program was last bid and reflects a current list of City facilities in which machines are located.

Scope of Services

The intent of this Request for Proposals (RFP) is to award an exclusive snack vending machine concession agreement for the location of snack vending machines on City of Miami Beach property. Said concession agreement shall provide for the installation and maintenance of vending machine equipment at the sole cost of the successful proposer/Concessionaire.

Vending Equipment

All equipment installed under this concession agreement shall be new or remanufactured in excellent condition prior to installation. The City may also request vandal proof and weatherproof machines be provided at certain outdoor City parks.

All snack vending machines must be equipped with coin mechanisms accepting any combination of nickels, dimes and quarters. The Concessionaire must supply a dollar bill changer at each interior location where two or more vending machines are situated. Concessionaire shall identify if credit card snack vending machines are being proposed.

Each machine must be equipped with a transaction counter, or other control acceptable to the City, and must be licensed as provided in the "Permits" section below.

An initial list of locations at which snack vending machines shall be located is provided as an Attachment to this RFP on page 34.

Written approval shall be obtained from the City Manager or the City Manager's designee prior to the installation, transfer or removal of any snack vending machines.

UTILITIES

Electrical service, including outlets, shall be furnished by the City at the vending locations at no cost to the Concessionaire. No water service will be provided by the City in connection with the operation of snack vending machines under this concession agreement.

MAINTENANCE

The Concessionaire shall be responsible for all maintenance and repair of snack vending machines as follows:

Cleaning and polishing of equipment and removal of litter within vending area created by filling and/or servicing of machines. The Concessionaire shall provide route drivers time to thoroughly clean each machine as it is replenished. This includes cleaning with a sanitizing solution the interior and exterior of each machine.

Routine - all equipment shall be checked weekly and a record of service calls are to be maintained and forwarded to the City. In addition, a financial report shall be provided to the City monthly.

Each machine must have posted the name and telephone number of the service, repair and refund facility, immediately adjacent to the coin slot, of a size no less than 4" x 6".

The Concessionaire shall maintain all equipment in good working order and shall repair, or replace any equipment not repairable, within two business days.

REFUNDS

The proposer must include in his proposal a statement describing the procedure whereby refunds will be provided to the public. Additionally, the Concessionaire is to provide a "bank" of \$100 in cash which shall be provided to the City of Miami Beach City Hall cashier, who will distribute refunds due to mechanical malfunctions of the vending machines. An itemized refund list, including the names of the persons the funds were refunded to, will be maintained by the City Hall cashier and submitted to the Concessionaire upon requested replenishment of the funds.

PRICING AND AVAILABILITY OF SERVICES

The services as outlined herein shall be offered to the public on a daily basis at all times that a reasonable commercial demand for such services exist, as determined by the City.

All initial prices for products must be included in the proposal and approved by the City. Any subsequent changes must be submitted in writing to the City Manager or designee, and written approval must be secured before implementing changes.

The City Manager or his designee may request services at additional locations or request additional products for vending equipment on City property. The Concessionaire may, at its sole cost and expense, test market these additional services for a sixty day period. If the Concessionaire demonstrates to the City's satisfaction that the commercial demand does not exist for the additional services, the Concessionaire will not be obligated to continue the additional services.

STANDARDS FOR REPORTS

The Concessionaire will prepare true and complete records and accounts of all gross receipts for each contract year in accordance with generally accepted accounting principles consistently followed, and report formats shall be subject to the approval of the City's Internal Auditor. Written recommendations by the Internal Auditor for changes in accounting practices, reporting or controls will be complied with by the Concessionaire.

GROSS RECEIPTS

The term "gross receipts" as used herein, shall mean all monies paid into the Concessionaire's vending machines, for sales related to this concession.

SHORTAGES

All cash shortages, regardless of the reason, are to be absorbed by the Concessionaire and are not to be deducted from gross receipts.

RECORD RETENTION

The Concessionaire will maintain during the term of the agreement and for three years thereafter all books of accounts, reports, and records, including sales slips, bank deposit slips, bank statements, and such other sales records as an independent Certified Public Accountant would need to examine in order to certify the Concessionaire's Annual Statement of Gross Receipts pursuant to generally accepted accounting standards.

EXAMINATION OF BOOKS AND RECORDS

The Concessionaire will permit the auditors or the City to audit and examine the Concessionaire's books of account, reports, and records during the term of this agreement, during normal business hours and upon reasonable notice.

ANNUAL REPORT

The Concessionaire will submit an annual CPA Certified Statement of Gross Receipts to the City within sixty days after the end of each twelve-month fiscal year. Such Certified Statement will include an opinion by the CPA as to the accuracy of the Concessionaire's Gross Receipts as defined by the concession agreement.

FACILITIES/PREMISES

The Attachment "Initially Authorized Locations" lists sites where snack vending machines may be placed under this agreement. The Concessionaire accepts the current locations of snack vending machines and space provided in their as-is condition and is responsible for any interior modifications and maintenance which may be necessary, including security doors, windows and screens.

The Concessionaire must first obtain the City's written approval of any alteration of the physical facilities and then must pay for such modifications, which become City assets upon expiration of the agreement, unless the City decides not to retain said asset, at which time Concessionaire shall remove same at its sole cost and expense.

ADVERTISING AND SIGNS

All advertising, signage, and postings shall be approved by the City Manager or his designee and must comply with the requirements of the City's Planning Department and all other applicable regulatory agencies.

COMPLIANCE WITH LAWS, LICENSING AND PERMIT REQUIREMENTS

The Concessionaire shall comply with all rules, regulations, laws, and permitting requirements of the City of Miami Beach, Miami-Dade County, the State of Florida, and the U.S. Government now in force or hereafter to be adopted.

EVALUATION CRITERIA

The procedure for proposal evaluation and selection is as follows:

1. Request for Proposals issued.
2. Receipt of proposals.
3. Opening and listing of all proposals received.

4. An Evaluation Committee, appointed by the City Manager, shall meet to evaluate each proposal in accordance with the requirements of this RFP. If further information is desired, proposers may be requested to make additional written submissions or oral presentations to the Evaluation Committee.
5. The Evaluation Committee shall recommend to the City Manager the proposal or proposals acceptance of which the Evaluation Committee deems to be in the best interest of the City.

The Evaluation Committee shall base its recommendations on the following factors:

<u>Evaluation Criteria/Factors:</u>	<u>Weight</u>
Experience, Financial Qualifications and Professional Reputation	25%
Operational Concept for the Concessions	10%
Commitment of Equipment and/or Capital Expenditures	10%
Quality and Variety of Proposed Products	15%
Pricing to the Public	20%
Fees to be Paid to the City	<u>20%</u>
Total	100 %

6. After considering the recommendation(s) of the Evaluation Committee, the City Manager shall recommend to the City Commission the proposal or proposals, acceptance of which the City Manager deems to be in the best interest of the City.
7. The City Commission shall consider the City Manager's recommendation(s) in light of the recommendation(s) and evaluation of the Evaluation Committee and, if appropriate, approve the City Manager's recommendation(s). The City Commission may reject City Manager's recommendation(s) and select another proposal or proposals.
8. In any case, City Commission shall select the proposal or proposals acceptance of which the City Commission deems to be in the best interest of the City. The City Commission may also reject all proposals.
9. Negotiations between the selected proposer and the City Manager take place to arrive at a contract. If the City Commission has so directed, the City Manager may proceed to negotiate a contract with a proposer other than the top-ranked proposer if the negotiations with the top-ranked proposer fail to produce a mutually acceptable contract within a reasonable period of time.
10. A proposed contract or contracts are presented to the City Commission for approval, modification and approval, or rejection.
11. If and when a contract or contracts acceptable to the respective parties is approved by the City Commission, the Mayor and City Clerk sign the contract(s) after the selected proposer(s) has (or have) done so.

Important Note:

By submitting a proposal, all proposers shall be deemed to understand and agree that no property interest or legal right of any kind shall be created at any point during the aforesaid evaluation/selection process until and unless a contract has been agreed to and signed by both parties.

CONCLUSION

The previous beverage and snack machine vending contract is operating on a month-to-month basis, pending the conclusion of negotiations for an official non-alcoholic beverage sponsorship program. This program does not include snack vending machines. As such, it is recommended that the City Commission authorize an RFP for a snack vending contract so that the City employees, the public and visitors to City-owned properties and facilities may continue to enjoy the convenience of purchasing snacks from vending machines located on the premises of City-owned properties and facilities.

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