



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM



Date: April 24, 2024

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Deputy City Manager
Megan E. Schubert, Assistant City Manager
Dee Ann Irby, Controller
Kurt Bovensiep, Public Works Director
Dennis Trantham, Deputy Public Works Director
Emily Frontera, Purchasing Manager

Subject: Standard Purchasing Resolution 4: Cooperative Purchasing Contract Award – MITN -Vending Services

History

The City of Troy has vending machines (beverage and snack food) in various City of Troy facilities. These machines accommodate employees and visitors at each facility. The vending contractor provides all equipment, labor, supervision, installation, removal, stocking, maintenance and repair of the vending machines. The City of Troy collects commission payments based on sales for Contractor's use of the City's facilities and utilities and the monitoring of the contract to ensure its efficient and effective administration. The current contract has been terminated due to poor performance, lack of communication and faulty equipment.

Purchasing

- The City of Farmington Hills on behalf of itself and participating MITN members solicited proposals from qualified companies for Vending Services for City Facilities.
- *Best Vending LLC of Troy, MI* was the awarded vendor for the cooperative bid; Contract #RFP-FH-21-22-2337.
- The awarded contract is for three (3) years with three (3) one-year renewals; contract expiring June 27, 2028.
- Best Vending has provided pricing for beverages and snack food and is offering a 15% commission of gross sales.

Financial

- By continuing to make available vending machine services for employees, patrons, and visitors; the City will benefit from the quoted commission rate, while offering a variety of products at competitive prices.
- Commissions are deposited to the General Fund liability Account 101.216.400 and Revenue Accounts for the Library and Recreation Departments, and used for designated all-inclusive employee appreciation functions such as the annual Holiday celebration.



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Recommendation

City Management recommends awarding a one (1) year contract with three (3) one-year renewals to *Best Vending LLC of Troy, MI* for City Wide Vending Services as per the MITN Cooperative Contract, hosted by Farmington Hills, at proposed pricing and 15% commission of monthly gross sales; contract to expire June 27, 2028.



ARTICLES OF AGREEMENT, made and entered into this _____ day of _____

by and between Best Vending LLC of Troy, MI

(Name) (City and State)

herein after called the Contractor and the City of Troy, Troy, Michigan hereinafter called the Owner,

WITNESSETH, that the Contractor and the Owner for the considerations hereinafter named, agree as follows:

1. That all Contract Documents, as defined in the MITN Cooperative Contract RFP-FH-21-22-2337, and hereto attached or herein referred to shall be and are hereby made a part of the agreement and contract.
 - a. City of Troy Vending Services Specifications and Locations
 - b. 2024 Price List
2. The Contractor shall, furnish all labor, materials, and equipment necessary and perform all of the work as set forth in his Proposal in strict accordance with the drawings, specifications, and other documents which have been made a part of this contract in the manner, time, and place as therein set forth.
3. In consideration whereof, the Contractor agrees to pay 15% Commissions of Gross Sales less credit card fees monthly to the Owner, being the product of the unit prices therein set forth, multiplied by the number of units actually sold, all in the time and manner as set forth in the Contract Documents.
4. IN WITNESS whereof said parties have hereunto set their hands and seals, the day and year first above written.

SIGNED BY:

Signature of Authorized Representative (Contractor)

Contractor (Company Name)

Printed Name of Authorized Representative (Contractor)

Title of Authorized Representative

WITNESS:

Signature of Witness (Contractor)

Printed Name of Witness

APPROVED BY (THE OWNER, CITY OF TROY):

Purchasing Manager – Emily Frontera

City Manager – Mark F. Miller

Mayor – Ethan Baker

RESOLUTION NUMBER: _____

APPROVED AS TO FORM AND LEGALITY:

BY: _____
City Attorney – Lori G. Bluhm

ATTEST: _____
City Clerk – M. Aileen Dickson

Best Vending 2024 Price List

All 20 oz carb and non carb \$2.50

Energy - \$3.50

Water \$1.75

Juice \$3.00

Bagged snack items \$1.75

Candy \$2.00

Pastry \$1.75

15% Commission on gross sales less the cc processing fee

CITY OF TROY
VENDING SERVICES
SPECIFICATIONS

A. SCOPE OF WORK

The City of Troy seeks the services of a qualified, experienced and proven professional Vending Services Company to operate a quality Vending Service for the City of Troy at various City locations. All items of work noted in the specifications that are not specifically noted in the bid proposal shall be considered as included in the contract and shall be completed at no extra cost to the City of Troy.

The City of Troy is located in Oakland County, Michigan and covers 34.3 square miles. For this Proposal there are seven (7) facilities.

B. CONTRACTOR QUALIFICATIONS

1. The Contractor shall be duly licensed by the appropriate authorities to perform this work.
2. Insurance requirements shall be in accordance with the attached SAMPLE CERTIFICATE AND ENDORSEMENT.
3. The Contractor shall conform to all applicable Federal, State and Local laws.

C. GENERAL QUALIFICATIONS

1. The Vending Services Company shall be responsible for visiting the proposed sites in order to fully acquaint him or herself with existing conditions so that the Vending Services Company may fully understand any difficulties and restrictions attending the execution and installation of the machines of the work under the proposed contract. The failure or omission to receive and examine any documents, forms, instruments, addendum, or other information, or to visit the site and acquaint oneself with conditions existing there shall in no way relieve any individual or organization from any obligation with respect to the proposal or to the contract. The submission of a bid proposal shall be taken as prima facie evidence of compliance with this section.
2. The Vending Services Company guarantees the reimbursement, repair, replacement and/or restoration, to the satisfaction of the City, any property (City or private), destroyed or damaged by careless or accidental use of equipment or machinery in the performance of the contract. This shall include but not be limited to plant material, buildings, turf, asphalt, concrete, traffic signs, pedestrians, and automobiles.
3. The Contractor shall not sublet, assign or transfer the contract of any portion or any payment due to the contractor there under, without written consent of the City.
4. No work may be performed without a written Notice to Proceed or a Purchase Order issued by the Purchasing Department of the City of Troy.
5. Contractor shall respond to a work request within 24 Hours, seven days a week.

D. ITEMS TO BE PROVIDED:

All Bidders must submit a food and beverage menu with item pricing as part of their bid submittal. All menu items and pricing are subject to be altered and changed under the discretion of the City of Troy and in conjunction with the successful Vending Service Provider.

CITY OF TROY
VENDING SERVICES

SPECIFICATIONS & LOCATIONS

E. COMPENSATION:

Provide a percentage of monthly net sales or percentage of per item sold to the City of Troy. All vending machines must have non-resettable cash accountability meters and commission reports must include dollar amounts and meter readings.

F. SERVICE:

As part of their proposal, contractors are to provide detailed information regarding the following services.

A. Provide information on the actual vending equipment. Equipment shall be state of the art and interpreted as the latest model(s) available at the execution of the signed contract.

1. Provide detail on money changing capabilities of all machines and/or description of the type of money changing machine provided with vending machines.
2. Availability and specifications of vending machines that accept credit/debit cards and digital wallet/mobile payment services- ex: Apple Pay, Google Pay, PayPal etc.
3. Energy efficiency of proposed vending machines/equipment.
4. Provide commercial grade Keurig Machines at designated locations.
5. Provide commercial grade microwaves at all locations.

B. Provide a proposed list of snacks and beverage vending machines at specified locations including the variety and brand names of items to be sold.

C. Provide a proposed list of pricing options and or fee structure for the machine.

D. In addition to the commission check, the awarded vendor should be prepared to provide a sales/financial statement that reflects the total sale or per machine. Provide examples of that documentation.

D. Provide a proposal for stocking the machines. A minimum of two (2) visits weekly will be required to keep machines stocked; it is recommended that the machines be filled daily (7 days per week) due to high volume. The schedule of visits may vary in order to keep machines stocked at all times. Winter months and special events weekends may require 2 stockings on Saturday.

E. Supply information on how vandalism issues will be handled.

F. Provide a maintenance or service schedule of machines, including a preventive maintenance schedule and the time required to respond to service calls. Response time after power outages.

G. Describe program for removal of empty beverage containers (specifically anything with a deposit).

H. Provide photographic examples of other vending contracts.

I. Provide suggestions for configuration of machines and/or contents of machines.

J. Provide information on how refunds will be handled for customers.

K. Provide a 24-hour phone number for service.

L. Provide a plan for working with the existing vending company in swapping out machines.

M. Provide a list of key contacts within the organization for customer service, questions and concerns.

LIST OF CURRENT LOCATIONS

The following list is comprised of vending machines and equipment that are currently in use at each location. The list may or may not reflect the current required needs of location.

- **CITY HALL –** 500 W. Big Beaver, Troy, MI
Vending location: Employee Lounge – Main Floor
Location contact: Andrew R. Chambliss, 248-619-7609
1 Pop Machine
1 Snack Machine
1 Coffee Machine (Coin/Cash Operated)
1 Keurig Machine (provided by current Vending Services company)
2 Microwaves
100 Employees

- **TROY COMMUNITY CENTER –** 3179 Livernois, Troy, MI
Vending locations: Behind the front desk
Lobby and various other locations
Location contact: Brian Goul, 248-524-3491
1 Pop Machines
2 Snack Machines
1 Hot Beverage Machine
100 Employees in addition to the public using the Community Center.

- **TROY PUBLIC LIBRARY –** 510 West Big Beaver, Troy, MI
Vending location: Café
Location contact: Philip Kwik, 248-619-7577
2 Pop Machines
1 Hot Beverage Machine
1 Snack Machine
2 Microwaves
70 Employees in addition to the public using the Library.

- **CITY HALL – TROY POLICE DEPARTMENT –** 500 W. Big Beaver, Troy, MI
Vending location: Employee Lounge – second floor
Location contact: Sam Kalef, 248-619-7681
1 Pop Machine
1 Snack Machine
180 Employees

- **DEPARTMENT OF PUBLIC WORKS –** 4693 Rochester Road, Troy, MI
Vending location: Employee Multi-Purpose Room
Location contact: Dennis Trantham, 248-524-3503
1 Pop Machine
1 Snack Machine
1 Keurig Machine (DPW Provided)
2 Microwaves (DPW Provided)
100 Employees

- Parks Garage – (Behind DPW Building)** 4695 Rochester Road, Troy, MI
1 Pop Machine

LIST OF CURRENT LOCATIONS

- **TROY TRANSIT CENTER** – 1201 Doyle Drive, Troy, MI
Vending Location: Transit Center Lobby
Location contact: Dennis Trantham, 248-524-3503
1 Pop Machine
1 Snack Machine
0 Employees
Machines are used by Amtrak passengers

- **POLICE / FIRE TRAINING CENTER** – 4850 John R Road, Troy, MI
Vending location: Employee Lounge
Location contact: Sam Kalef, 248-619-7681
1 Pop Machine
Up to 30 Employees use the building for classes on a daily basis. Up to 200 employees use the building on the week-ends. Due to the number of employees and high usage, more vending services/options may be required.