

CONSENT AGENDA
ITEM NO. 21

**CITY OF SAN ANTONIO
DEPARTMENT OF ASSET MANAGEMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager

FROM: Shawn P. Eddy, Interim Director of Asset Management

SUBJECT: Beverage and Snack Services Extension Agreement

DATE: March 16, 2006

SUMMARY AND RECOMMENDATIONS

An Ordinance authorizing the execution of Extension Agreements with Coca-Cola Bottling Company of the Southwest d/b/a San Antonio Coca-Cola Bottling Company for the provision of cold drink vending machine services and Independent Vendors of San Antonio (IVSA) for the provision of snack, fresh/frozen food, and hot drink vending machine services in City-owned and City-leased facilities for an additional 60 day period, with two 30 day administrative extensions, if necessary.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

Presently, there are approximately 183 beverage vending machines and approximately 69 snack vending machines located throughout the City. The City currently has separate contracts with Coca-Cola Bottling Company of the Southwest d/b/a San Antonio Coca-Cola Bottling Company to provide cold drink vending machine services and Independent Vendors of San Antonio (IVSA) to provide snack, fresh/frozen food, and hot drink vending machine services in City facilities.

On November 7, 2005, the City of San Antonio with the assistance of Active Public Enterprise Group, Inc. (APEG) issued a Request for Proposals for the exclusive right to provide and maintain beverage and snack vending machines at selected City facilities and properties. A presentation was made to City Council on November 3, 2005 detailing the RFP requirements and project timeline. A Pre-Proposal Conference was held on November 16, 2005 and three proposals were received December 14, 2005. Upon receipt, proposals were turned over to APEG in order to negotiate a best and final offer on behalf of the City for additional locations and pouring rights at various City facilities. In an effort to avoid a lapse in service, additional time is required for APEG to complete negotiations of key business points and to allow City Staff to coordinate and finalize the resulting agreement.

POLICY ANALYSIS

Approval of this ordinance will be a continuation of City Council support for the policy of establishing guidelines for the use of City-owned property, promoting City assets, both real and intangible, and maximizing the revenue potential of such said property.

FISCAL IMPACT

Under the beverage agreement, the City currently receives 30% for drinks sold in containers of twelve ounces (12oz) or less and 40% for the sale of drinks sold in thirteen ounce (13oz) or larger containers, plus a \$50,000 annual partnership support payment. Under the snack agreement, the City receives a 10% commission for all snack sales. The current annual revenue to the City for both agreements is approximately \$210,000 per year.

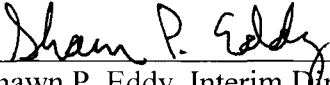
The total estimated revenue for both extensions is between \$12,000 and \$20,000 per month. This estimate includes commission sales and a prorated amount of the \$50,000 annual partnership support payment from the San Antonio Coca-Cola Bottling Company. The commission revenue is deposited into the General Fund and any applicable enterprise fund, based on the location of the machines; and the prorated annual partnership fee is deposited into the Facility Services Fund for building improvements.

COORDINATION

This item has been coordinated with the City Attorney's Office, the Office of Management and Budget, and the Contract Services Department.

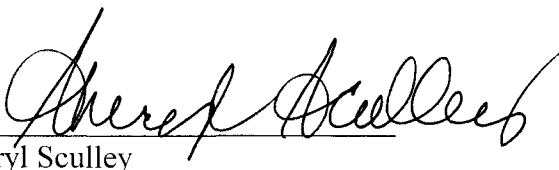
SUPPLEMENTARY COMMENTS

Discretionary Contract Disclosure forms, the original Agreements and Extension Agreements are attached.


Shawn P. Eddy, Interim Director
Department of Asset Management


Erik J. Walsh
Assistant City Manager

Approved for Council Consideration:


Sheryl Sculley
City Manager

STATE OF TEXAS

X

EXTENSION AGREEMENT TO

X

IVSA'S LICENSE FOR

COUNTY OF BEXAR

X

VENDING SERVICES

THIS INSTRUMENT is made and entered into by and between the City of San Antonio ("City") and Independent Vendors of San Antonio ("Contractor").

WHEREAS, under authority granted by Ordinance No. 93492, passed and approved on February 22, 2001, City and Contractor entered IVSA's License for Vending Services ("Original Agreement") for the provision of certain food and drink vending machine services and the Original Agreement provided for an initial term of five (5) years, which ends on March 31, 2006, with a renewal option of up to five (5) years; and

WHEREAS, City is currently in the process of selecting a snack vendor and shall require the services of Contractor for at least an additional sixty (60) day period and desires to exercise the available renewal option provided for in the Original Agreement; and

WHEREAS, the City Council of the City of San Antonio has expressed its commitment to contract with Contractor for the proposed renewal period pursuant to Ordinance No. _____, passed and approved on March 16, 2006; NOW THEREFORE,

The Parties agree as follows:

1.01 Based on the applicable provisions authorizing an extension and subject to the terms and conditions set out in this Extension Agreement and Ordinance No. _____, the Parties hereto mutually agree to exercise a sixty (60)-day renewal option and extend their Original Agreement, entered into upon authority granted in Ordinance No. 93492. The Parties further agree to provide for two (2) additional thirty (30)-day administrative renewal options, which shall be exercised, if needed, at the sole discretion of City without further City Council action.

2.01 The Parties agree and understand that, except as modified herein, all terms and conditions contained in the Original Agreement entered into under the authority of Ordinance No. 93492 shall remain the same.

EXECUTED AND SIGNED this 3 day of March, 2006.

CITY OF SAN ANTONIO

INDEPENDENT VENDORS OF SAN ANTONIO, LTD.,
a Texas Limited Partnership

City Manager

Independent Vendors of San Antonio LTD
Name: Johnny A. Lull
Title: General Partner

ATTEST:

City Clerk

APPROVED:

City Attorney

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a party to the discretionary contract:

Tammy A. Lull dba Ready Snacks
Mike Dahle dba Dahle Enterprises
Ben Ham dba Ben's Vending
Wade Strauch dba Strauch Vending

(2) Identify any individual or business entity which is a *partner, parent* or *subsidiary* business entity, of any individual or business entity identified above in Box (1).

☒ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

(3) Identify any individual or business entity that would be a *subcontractor* on the discretionary contract.

☐ No subcontractor(s); or

List subcontractors:
Lone Star Ice Cream
Continental Vending
BJ Vending

(4) Identify any *lobbyist* or *public relations firm* employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☒ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☒ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
N/A	N/A	N/A	N/A

(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature:

Tammy A Lull

Title: *General Partner*
Company or D/B/A:

*Independent Vendors of
San Antonio*

Date:

March 3, 2006

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

STATE OF TEXAS

X

EXTENSION AGREEMENT TO

X

COCA-COLAS'S LICENSE FOR

COUNTY OF BEXAR

X

VENDING MACHINE SERVICES

THIS INSTRUMENT is made and entered into by and between the City of San Antonio ("City") and Coca-Cola Bottling Company of the Southwest d/b/a San Antonio Coca-Cola Bottling Company ("Contractor").

WHEREAS, under authority granted by Ordinance No. 93492, passed and approved on February 22, 2001, City and Contractor entered Coca-Cola's License for Vending Machine Services ("Original Agreement") for the provision of cold drink vending machine services and the Original Agreement provided for an initial term of five (5) years, which ends on March 31, 2006, with a renewal option of up to five (5) years; and

WHEREAS, City is currently in the process of selecting a beverage vendor and shall require the services of Contractor for at least an additional sixty (60) day period and desires to exercise the available renewal option provided for in the Original Agreement; and

WHEREAS, the City Council of the City of San Antonio has expressed its commitment to contract with Contractor for the proposed renewal period pursuant to Ordinance No. _____, passed and approved on March 16, 2006; NOW THEREFORE,

The Parties agree as follows:

1.01 Based on the applicable provisions authorizing an extension and subject to the terms and conditions set out in this Extension Agreement and Ordinance No. _____, the Parties hereto mutually agree to exercise a sixty (60)-day renewal option and extend their Original Agreement, entered into upon authority granted in Ordinance No. 93492. The Parties further agree to provide for two (2) additional thirty (30)-day administrative renewal options, which shall be exercised, if needed, at the sole discretion of City without further City Council action.

2.01 It is the understanding of the Parties that the fee payable under Section 10.02 of the Original Agreement shall be pro rated for the term of any extension provided under this Extension Agreement. Contractor shall pay City four thousand one hundred and sixty-six dollars and sixty-seven cents (\$4166.67) per month for the term of any extension hereunder and said fee shall be due upon the thirtieth (30th) day of each month of any such extension.

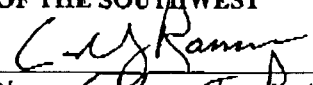
3.01 The Parties agree and understand that, except as modified herein, all terms and conditions contained in the Original Agreement entered into under the authority of Ordinance No. 93492 shall remain the same.

EXECUTED AND SIGNED this _____ day of _____, 2006.

CITY OF SAN ANTONIO

COCA-COLA BOTTLING COMPANY
OF THE SOUTHWEST

City Manager


Name: Carlos J. Ramos
Title: Market Director

ATTEST:

APPROVED:

City Clerk

City Attorney

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity³ that is a party to the discretionary contract:

N/A

(2) Identify any individual or business entity which is a partner, parent or subsidiary business entity, of any individual or business entity identified above in Box (1):

☒ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

(3) Identify any individual or business entity that would be a subcontractor on the discretionary contract:

☒ No subcontractor(s); or

List subcontractors:

(4) Identify any lobbyist or public relations firm employed by any party to the discretionary contract for purposes related to seeking the discretionary contract:

☒ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

³ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3).

☐ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
SAN ANTONIO COCA-COLA	CARROLL SCHUBERT	\$500.00	MAR 2005
SAN ANTONIO COCA-COLA	TOMMY ADKISSON	\$250.00	NOV 2003
		\$250.00	NOV 2004

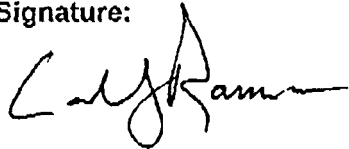
(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature:	Title:	Date:
	Mayor Christ - D.P.	3/3/6

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.