

# Memorandum



**Date:** May 7, 2013

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Resolution Authorizing a Retroactive Contract Modification to a Revenue Generating Contract with Gilly Vending, Inc.

Agenda Item No. 8(F)(5)

## Recommendation

It is recommended that the Board of County Commissioners (Board) waive competitive bidding procedures for the purchase of goods and services pursuant to Section 2-8.1 of the County Code and Section 5.03(D) of the Home Rule Charter and approve this contract modification. The item is described below and in the accompanying attachment. Given the March 31, 2013 expiration of this contract, retroactive approval to April 1, 2013 is requested. Re-negotiation of this contract required additional time and approval by the full Board was not possible prior to the expiration of this contract.

**Item 1 – Vending Machine Services** - Modifies a revenue-generating contract for an additional, re-negotiated three years, with one, two-year option-to-renew period with Gilly Vending Inc. (Gilly) for vending machine services for the Internal Services Department and Port of Miami.

The existing contract was originally awarded in September 2007 and expired on March 31, 2013. Gilly requested to negotiate with the County on possibly extending their current agreement. Concurrent with the negotiations, market research was conducted to compare the Gilly contract with other vending machine services of comparable size in the County and other jurisdictions, locally and nationwide. Research showed that the contract with Gilly is favorable compared to other vending machine services contracts.

The negotiations with Gilly led to substantial improvements to the current contract and will generate additional revenues for the County, including increasing the monthly access fee per machine from \$71.68 to \$87.00, which increases the minimum monthly revenue guarantee from \$20,000 to \$24,273. This contract has generated approximately \$1,320,000 in revenues to the County since September 2007. At the re-negotiated rates, the proposed contract is projected to generate approximately \$1,456,380, assuming the full three-year term with one, two-year option to renew is exercised.

## Scope

The impact of the item in the attached Bid Waiver Package is countywide in nature.

## Fiscal Impact/Funding Source

This contract is a revenue generating contract. The modification guarantees a minimum monthly revenue guarantee of \$24,273. This represents at least \$1,456,380 in total revenue in five years if the two-year option-to-renew period is exercised.

## Track Record/Monitor

The vendor has performed well under this agreement and has been in compliance with all terms and conditions of this contract. Basia Pruna of the Internal Services Department is the Procurement Contracting Manager.

**Delegated Authority**

If this item is approved, the County Mayor or County Mayor's designee will have the authority to extend the contract for purchase of goods and services in accordance with the terms and conditions of the contract listed in the attached Bid Waiver Package.

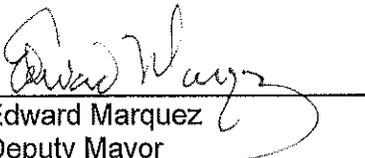
**Due Diligence**

Due diligence was conducted in accordance with the Internal Services Department's Procurement Guidelines to determine contractor responsibility, including verifying corporate status and review of performance or compliance issues. The lists that were referenced include: convicted vendors, debarred vendors, delinquent contractors, suspended vendors, and federal excluded parties. There were no adverse findings relating to contractor responsibility. This information is being provided pursuant to Resolution R-187-12.

**Background**

Additional information is shown in Item 1 (attached).

Attachment

  
\_\_\_\_\_  
Edward Marquez  
Deputy Mayor



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** May 7, 2013

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 8(F)(5)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's , 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 8(F)(5)  
5-7-13

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING WAIVER OF FORMAL BID PROCEDURES BY A TWO-THIRDS (2/3S) VOTE OF THE BOARD MEMBERS PRESENT TO MODIFY A CONTRACT FOR THE PURCHASE OF GOODS AND SERVICES

**WHEREAS**, the County Mayor recommends to this Board to waive formal bid procedures for the purchase of goods and services which cannot be purchased under normal bid procedures,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that:

Section 1. This Board waives formal bid procedures, pursuant to Section 5.03(D) of the Home Rule Charter and Section 2-8.1 of the County Code by a two-thirds (2/3s) vote of the members present for Item 1 of the incorporated memorandum.

Section 2. This Board authorizes modification of a contract as set forth in Item 1 of the incorporated memorandum, with a retroactive new contract term commencement date of April 1, 2013.

Section 3. This Board authorizes the County Mayor or County Mayor's designee to execute a contract for the item approved herein and exercise contract modifications, options-to-renew, any cancellation provisions, and any other rights contained therein in accordance with the terms and conditions of such contract.

The foregoing resolution was offered by Commissioner  
who moved its adoption. The motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman  
Lynda Bell, Vice Chair

Bruno A. Barreiro  
Jose "Pepe" Diaz  
Sally A. Heyman  
Jean Monestime  
Sen. Javier D. Souto  
Juan C. Zapata

Esteban L. Bovo, Jr.  
Audrey M. Edmonson  
Barbara J. Jordan  
Dennis C. Moss  
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 7<sup>th</sup> day of May, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

Hugo Benitez



**Item 1 – Contract Modification**

<b>Contract No.:</b> 8214-4/12-2	<b>Title:</b> Vending Machine Services
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**Type of Change:**

- Additional Time  
 Additional Spending Authority  
 Authorization to use Charter County Transportation Surtax Funds as a Component of MDT Operating Funds

**Contract Description and Reason for Change:**

Approval is requested to modify Contract 8214-4/12 with Gilly Vending, Inc. for vending machine services. This contract was originally awarded via a competitive solicitation in September 2007. In anticipation of the upcoming expiration of this contract, staff conducted market research to compare the revenues generated from this contract to both, other County vending contracts, as well as other governmental vending contracts. This research showed that the current contract with Gilly is favorable compared to other County vending machine services contracts. Additionally, Gilly requested to negotiate with the County on possibly extending their current agreement. These negotiations led to substantial improvements to the current contract that will generate additional revenues for the County. If the County is willing to extend the current contract for an additional three years, with one, two-year option-to-renew, Gilly will increase the monthly access per machine from \$71.68 to \$87.00, which, in turn, will increase the minimum monthly revenue guarantee from \$20,000 to \$24,273. This contract has generated \$1,320,000 in revenues to the County since September 2007. Including the aforementioned negotiated increases, this contract is expected to generate at least \$1,456,380 over the full five-year term, which represents an additional \$136,380 in revenues compared to the current contract. Further, due to the contract expiration date of March 31, 2013 for the current contract, retroactive approval to April 1, 2013 is requested to effectuate this proposed contract.

As mentioned, based on market research of current County vending contracts and other governmental entities' contracts, extending this contract at the newly negotiated rates would provide the best revenue opportunities for the County. This contract serves 76 ISD-managed locations and 18 Port of Miami locations.

Current Term Length:		Additional Time Requested:	
66 months		36 months with one, 24-month option-to-renew	
Current Term Start Date:	Current Term Expiration Date:	Proposed Term Start Date:	Proposed Term Expiration Date:
October 1, 2007	March 31, 2013	Retroactive Start Date of April 1, 2013	March 31, 2016 (or March 31, 2018 if OTR is exercised)

	Number of Machines	Access Fee Per Machine	Minimum Monthly Revenue Guarantee	Estimated Annual Revenues
<b>Current</b>	279	\$71.68	\$20,000	\$240,000
<b>Proposed</b>	279	\$87.00	\$24,273	\$291,276

Departments	Funding Source	Contract Manager
Internal Services	Revenue Generating	Charlotte Horne
Port of Miami		Giselle Pino

<b>Contract Measures:</b>	<input type="checkbox"/> Small Business Enterprise <input type="checkbox"/> Set-Aside <input type="checkbox"/> Bid Preference <input type="checkbox"/> Selection Factor <input checked="" type="checkbox"/> Other <u>No measure – Revenue generating</u>
<b>Local Preference Ordinance:</b>	<input type="checkbox"/> Applies where permitted by funding source <input checked="" type="checkbox"/> Does not apply
<b>Living Wage Ordinance:</b>	<input type="checkbox"/> Applies <input checked="" type="checkbox"/> Does not apply
<b>User Access Program:</b>	<input type="checkbox"/> Applies where permitted by funding source <input checked="" type="checkbox"/> Does not apply
<b>Procurement Contracting Officer:</b>	Mike Ramos

<b>Vendors</b>	<b>Address</b>	<b>Principal</b>
Gilly Vending Inc.	990 NW 166 Street, Miami, FL	Gilda B. Rosenburg