



May 18, 2015

To: Fox Cities Transit Commission
Finance Committee

From: Debra Ebben, Administrative Services Manager

Subject: Authorization to award a contract to Compass Group USA Inc. for the provision of Vending Machine Services in Valley Transit’s buildings.

Background:

Valley Transit is asking for authorization to award a three year renewable contract to Compass Group USA Inc. for the provision of Vending Machine services in Valley Transit’s buildings. The current contract with Fox Valley Vending has expired. As required by the Federal Transit Administration, Valley Transit solicited quotes for provision of these services and was able to obtain a more lucrative offer of services from another supplier. Below is a summation of the quotes received:

	Compass Group (Canteen)	Aramark	Fox Valley Vending
Commission			
Coffee	15%	15%	20%
Snacks	15%	15%	15%
Fresh food	0%	0%	0%
Projected Sales	\$75,000	\$75,000	\$65,000
Projected Commission (\$)	\$11,250	\$11,250	\$9,750
Signing Bonus	\$10,000	\$0	\$0
Total Contract (1st year)	\$21,250	\$11,250	\$9,750
Product type	Same as current – can offer healthy options – using trends to establish customer preferences	Same as current – can offer healthy options – using trends to establish customer preferences	Same as current - using trends to establish customer preferences
Pricing (to customer)	Increase bottled soda from \$1.35 to \$1.50	Remain same	Remain same
Technology	Uses cell phone service - accepts debit and credit cards	Uses Wi-Fi service - accepts debit and credit cards	Uses smart phone application
Machine service frequency	Daily until pattern of need established	Daily until pattern of need established	M,W,F @ TC; Every two weeks at WO
Problem Response time	2 hours 24/7, 365 days per year	4 hours 24/7, 365 days per year	1 hour
Energy Star machines	Yes- all new machines	Yes - all new machines	Some new machines

Reference checks have been completed and staff is satisfied with the results. Staff has determined that contracting with Compass Group would offer the largest revenue stream for Valley Transit.

Recommendation: Authorize Valley Transit to award the contract for vending services to Compass Group USA.