

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: July 3, 2014

BIS 14-217

File: TMP-2014-00410

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AN AGREEMENT BETWEEN GILLY NATIONAL INC. DBA GILLY VENDING, INC. AND THE CITY OF HOLLYWOOD TO PROVIDE AND SERVICE HEALTHY BEVERAGE AND SNACK VENDING MACHINES AND PRODUCTS CITYWIDE.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☐ Sufficient resources are identified /available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☒ Potential revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks authorization for the appropriate City officials to execute an agreement between Gilly National Inc. DBA Gilly Vending Inc. and the City of Hollywood to provide and service healthy beverage and snack vending machines and products citywide for an initial term of five (5) years and renewable thereafter for two (2) additional one (1) year periods. The City's current vending contract expired on June 30, 2014.

These healthy beverage and snack vending machine and product services were competitively bid by Pasco County, Florida, Bid Number IFB-SS-14-019 – Countywide Healthy Vending Machine Services, and awarded by their Board of County Commissioners on April 9, 2014 to Gilly National Inc. DBA Gilly Vending, Inc. of Miami, Florida ("Gilly").

Section 38.40 (C)(5) of the Purchasing Ordinance allows the Director to procure, without following formal procedures, all goods and services which are subject of contracts with the state, its political subdivisions, the United States government, other governmental entities, or a corporation not for profit whose members are governmental entities, public officers, or any combination thereof, provided however, the goods and services are: (i) the subject of a price schedule negotiated by the state or the United States government, or (ii) the subject of a contract with another governmental entity or a corporation not for profit whose members are governmental entities, public officers, or any combination thereof, which contract is based strictly on competitive bids or competitive proposals and not on any preference.

Gilly has agreed to provide the same services and products to the City of Hollywood under the same pricing, terms and conditions of the Pasco County award. The City of Hollywood currently has forty-two (42) beverage and snack vending machines located at various City facility locations provided and serviced by Gilly Vending, Inc. The City of Hollywood has utilized the vending machine services provided by Gilly Vending, Inc. since 2007 and their services have been satisfactory.

The Pasco County contract requires the awarded vendor to provide payment to Pasco County in a fixed amount of \$12.50 per machine, per month. This contract would bring an estimated \$6,300.00 in annual revenue to the City, based on the current number of beverage and snack vending machines in the City. Although the projected revenues would likely result in a projected annual revenue reduction of approximately \$10,000.00, this would be offset by the benefits that a healthier menu of snacks and beverages would offer. Among the potential benefits would be the promotion of a more health conscious and healthier employee, potential healthcare savings through less health complications, and a potential reduction in time and productivity lost due to employee absences resulting from health complications and illnesses.

The award is subject to the City's receipt and approval of all insurance certificates required by the City's Risk Manager, and indemnity to the City. The City may terminate the agreement at any time with or without cause, upon thirty (30) days written notification of the intent to cancel.

PREPARED BY: Hilde Johnson
Management & Budget Analyst

APPROVED BY: Mirtha Dziedzic
Assistant Director, Budget and Financial Services