



South Washington County Schools

Keith Jacobus, Ph.D., Superintendent

District Service Center

7362 E. Point Douglas Rd. S.

Cottage Grove, MN 55016

Phone: 651-425-6300 Fax: 651-425-6318

ADMINISTRATIVE REPORT

TO: Members of the School Board
Keith Jacobus, Superintendent

FROM: Dan Pyan, Director of Finance, 425-6260

DATE: August 25, 2016

TOPIC/PURPOSE OF REPORT: Approve contract with Midwest Vending

REFERENCE TO POLICY/STRATEGIC PLAN: Policy 701

RECOMMENDED BOARD ACTION: Approval

DATE FOR BOARD ACTION: September 1, 2016

REPORT

Please approve the attached agreement between South Washington County Schools District 833 and Midwest Vending Services, Inc.

Ten snack vending machines are placed among seven secondary schools in the District. The vendor may only place snacks which comply with Federal guidelines regarding wellness in public schools.

The previous vendor in our schools went out of business. The agreement calls for the schools in the District to receive 10% commission on all items sold.

The agreement is for five years, however either party may cancel it at any time.



AGREEMENT

THIS AGREEMENT, made this 23rd day of August, 2016, between

South Washington County Schools

hereinafter known as “the Customer”

and

Midwest Vending Services, Inc., hereinafter known as “the Operator”,

Witnessed:

WHEREAS, the Customer is desirous of granting **the Operator** privilege of operating snacks, food and beverage vending machines within the **Customer’s** premises; and,

WHEREAS, the Operator represents that **the Operator** is duly qualified to operate vending machines;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS;

- A. **PERMIT TO OPERATE:** Subject to the terms and responsibilities set forth in this Agreement, **the Customer** grants the right to **the Operator** to operate and maintain vending machines for the retail sale of snacks, food and beverages at:

**Woodbury High School
2665 Woodlane Drive
Woodbury, MN 55125**

**Woodbury Middle School
1425 School Drive
Woodbury, MN 55125**

**Lake Middle School
3133 Pioneer Drive
Woodbury, MN 55125**

**Park Senior High School
8040 80th Street South
Cottage Grove, MN 55016**

**Oltman Junior High School
1020 3rd Street
Saint Paul Park, MN 55071**

**Cottage Grove Middle School
9775 Indian Blvd South
Cottage Grove, MN 55016**

**East Ridge High School
4200 Pioneer Drive
Woodbury, MN 55129**

This **Agreement** will have a term of five (5) years by mutual agreement. The five (5) year term of this **Agreement** will commence August 23, 2016, and terminate on August 22, 2021. This **Agreement** will extend under the same terms, unless canceled (60) days prior to the anniversary date of the **Agreement**.

The South Washington County Schools agent for administration of this contract is the Director of Finance – Dan Pyan, 651-425-6260

B. RESPONSIBILITIES OF THE OPERATOR: The Operator shall have the following responsibilities with respect to the vending machine service program (hereinafter referred to as vending machines).

1. **The Operator** agrees to install, operate and maintain coin or currency operated vending machines capable of automatically dispensing permitted items within the areas named above and in the areas designated. It is understood that only vending machines will be permitted and this **Agreement** is expressly intended to preclude the **Operator** from establishing a stand or shop for the purposes of selling any items over the counter and also to exclude any form of personal salesmanship.
2. **The Operator** shall own, purchase or rent all equipment provided under this contract. **The Customer** is not responsible for equipment procurement or cost. All equipment and security measures shall have the approval of **the Customer** prior to installations. **The Operator** shall guarantee that all equipment shall meet the approval of State and local health department specifications, and the specifications published by the United States Public Health Federation. **The Operator** shall retain ownership of the equipment. See attached equipment list, **EXHIBIT "A"**.
3. **The Operator** will not erect or allow to be erected any signs, displays, or advertising devices in the building except for those signs contained on the vending machine which are necessary for identification and the proper control and maintenance of the individual vending machines.
4. **The Operator** will carry and keep in force during the full term of this **Agreement** at the **Operator's** own expense a policy or policies of insurance as insured in the amounts and of the type as follow:

COVERAGE

MINIMUM LIMITS

COMMERCIAL GENERAL LIABILITY

LIABILITY UMBRELLA COVERAGE	\$4,000,000
COMBINED SINGLE LIMIT	\$1,000,000
OR	
BODILY INJURY/PROPERTY DAMAGE	\$1,000,000 EACH OCCURRENCE

AUTOMOBILE LIABILITY (INCLUDING HIRED AND NON-OWNED)

COMBINED SINGLE LIMIT	\$1,000,000
OR	
BODILY INJURY/PROPERTY DAMAGE	\$ 500,000 EACH PERSON \$1,000,000 EACH OCCURRENCE

WORKMEN’S COMPENSATION INSURANCE (AS REQUIRED BY LAW)

The **Operator** shall provide a Certificate of Insurance to **the Customer**, as required by the **Customer**.

5. **The Operator** shall at all times keep, or cause to keep, all machines in proper mechanical working order, making all necessary repairs; and keep, or cause to keep, all machines adequately stocked with fresh and wholesome merchandise so as to insure continuous service.
6. **The Operator** will make refunds whenever **the Customer** makes a complaint, and refunds will be paid to the main offices on a regular basis.
7. **The Operator** shall assume all risk for any and all loss to the **Operator’s** equipment, money and/or products from whatever cause including, but not limited to, theft and/or vandalism.
8. **The Customer** shall at all times retain the right to inspect the machines and vending areas to assure satisfactory cleanliness and compliance with specifications. **The Operator** shall be responsible for obtaining and complying with all operating licenses and permits required for the vending machines by duly authorized jurisdictions.
9. All receipts from vending operation shall belong to **the Operator**, who shall be responsible for all **Operator** costs herein. **The Operator** shall remit and report, to appropriate jurisdictions, all sales taxes now in effect or hereinafter enacted by authorized governmental bodies.
10. This **Agreement** may not be canceled by **the Customer** or **the Operator** at any time without just cause. **The Customer** may cancel this **Agreement** for breach, as determined by **the Customer** who shall consider such items as, but not limited to: insufficient insurance coverage, or unsatisfactory quality of service. **The Operator** may cancel this **Agreement** if **the Customer** breaches the **Agreement** in any manner. Either party shall provide written notice of any contract breach; and unless within ten (10) business days of such notice the breach has ceased, or arrangements have been made to correct the breach by the offending party, the party originating the notice of breach may cancel this **Agreement** by giving thirty (30) days notice in writing by registered or certified mail of its intention to cancel this **Agreement**. Nothing in this **Agreement** shall be construed as a waiver of either party’s right of recovery in the event of wrongful termination of this **Agreement**.

B. RESPONSIBILITIES OF THE OPERATOR, continued

11. The parties hereto mutually agree that pricing may, from time to time, require adjustment to cover contemporary changes in costs and expenses. The **Operator** shall provide, if requested by the **Customer**, satisfactory evidence of any cost increases prior to any adjustments, and the **Customer** shall not unreasonably withhold approval for such adjustments.

12. The representatives of the respective parties to this **Agreement**, by their signatures below, represent and acknowledge that each has authority to enter into this **Agreement** on behalf of their respective organizations, and that each is doing so of their own free will, free from any coercion and/or collusion.

SOUTH WASHINGTON COUNTY SCHOOLS

DATE

MIDWEST VENDING SERVICES

DATE



midwestvending.com
11750 Millpond Avenue
Burnsville, MN 55337
952-707-1990

EXHIBIT "A"
EQUIPMENT AND PRICING

<u>LOCATION</u>	<u>PRICES</u>	<u>COMMISSION RATE</u>
<u>WOODBURY HIGH SCHOOL</u>		
2 – Snack/Food/Beverage combo machines	\$1.00 – 4.00	10%
<u>WOODBURY MIDDLE SCHOOL</u>		
1 – Snack/Food/Beverage combo machines	\$1.00 – 4.00	10%
<u>LAKE MIDDLE SCHOOL</u>		
1 – Snack/Food/Beverage combo machines	\$1.00 – 4.00	10%
<u>PARK SENIOR HIGH SCHOOL</u>		
2 – Snack/Food/Beverage combo machines	\$1.00 – 4.00	10%
<u>OLTMAN JUNIOR HIGH SCHOOL</u>		
1 – Snack/Food/Beverage combo machines	\$1.00 – 4.00	10%
<u>COTTAGE GROVE MIDDLE SCHOOL</u>		
1 – Snack/Food/Beverage combo machines	\$1.00 – 4.00	10%
<u>EAST RIDGE HIGH SCHOOL</u>		
2 – Snack/Food/Beverage combo machines	\$1.00 – 4.00	10%

Commissions shall be calculated on Net Sales (gross receipts less sales tax) and paid on a quarterly basis by the 15th of the month following the last day of each quarter (Jan, Feb, Mar – Apr, May, Jun – Jul, Aug, Sep – Oct, Nov, Dec).

Commission checks shall be payable to: South Washington County Schools
Attn: Dan Pyan
7362 E. Pt. Douglas Rd. S.
Cottage Grove, MN 55016