

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	04/14/14	Open	Action	04/01/14

Subject: Approving the First Amendment to the Contract with Sacramento Coca-Cola Bottling Co., Inc. for Light Rail Station Vending Machines, Enclosures, and Advertising

## ISSUE

Whether or not to approve the First Amendment to the Contract with Sacramento Coca-Cola Bottling Co., Inc. for Light Rail Station Vending Machines, Enclosures, and Advertising.

## RECOMMENDED ACTION

Adopt Resolution No. 14-04\_\_\_\_, Approving the First Amendment to the Contract with Sacramento Coca-Cola Bottling Co., Inc. for Light Rail Station Vending Machines, Enclosures, and Advertising.

## FISCAL IMPACT

This is a revenue contract.

2010 Revenue: \$1,760.53  
2011 Revenue: \$5,315.05  
2012 Revenue: \$4,401.67  
2013 Revenue: \$4,010.69  
2014 Revenue: \$11,668.80

## DISCUSSION

On February 23, 2009, the Board conditionally awarded the contract for Light Rail Station Vending Machines, Enclosures, and Advertising to VendSight, Inc., pending a 10-day protest period. The contract was executed on June 15, 2009 and Notice to Proceed was issued on June 23, 2009.

On November 29, 2012, Sacramento Regional Transit District (RT) sent VendSight, Inc. a Breach of Contract with Opportunity to Cure letter. The letter advised VendSight, Inc. that it had failed to comply with its contract obligations and asked VendSight to either comply with its contract obligations, terminate the contract, or assign the contract to VendSight's subcontractor, Sacramento Coca-Cola Bottling Co., Inc.

VendSight, Inc. did not respond to that letter and RT sent them a second and final letter on February 20, 2013, offering to terminate the contract or assign the contract to Sacramento Coca-Cola Bottling Co., Inc. VendSight, Inc. responded to this letter on February 25, 2013 offering to assign the contract to Sacramento Coca-Cola Bottling Co., Inc. effective February 27, 2013. RT executed an Assignment and Release Agreement assigning the contract to Sacramento Coca-Cola Bottling Co., Inc.

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Approved:

Presented:

Final 04/07/14  
General Manager/CEO

Chief of Facilities and Business Support Services

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The original contract was for a base period of five years with five one-year options, which must be exercised successively. As such, at this time RT can only exercise option year 1. To exercise its option for a sixth year, RT is required to provide written notice to Sacramento Coca-Cola Bottling Co., Inc., no later than 45 calendar days prior to the end of the initial five-year Contract term, of its intent to exercise option year 6, subject to ultimate approval by the RT Board of Directors. Upon the exercise of an option by RT, RT and Sacramento Coca-Cola Bottling Co., Inc. will execute an amendment to extend the term of the Contract.

Staff recommends that the Board approve exercising the option of a sixth year and execute the First Amendment to extend the term of the Contract with Sacramento Coca-Cola Bottling Co., Inc. for Light Rail Station Vending Machines, Enclosures, and Advertising.

RESOLUTION NO. 14-04-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 14, 2014

**APPROVING THE FIRST AMENDMENT TO THE CONTRACT WITH SACRAMENTO  
COCA-COLA BOTTLING CO., INC. FOR LIGHT RAIL VENDING MACHINES,  
ENCLOSURES, AND ADVERTISING**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the First Amendment to the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Sacramento Coca-Cola Bottling Co., Inc., therein referred to as "Contractor," whereby Contractor agrees to provide Light Rail Station Vending Machines, Enclosures and Advertising for the first option year, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said First Amendment.

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PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary