

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 01-44

Approval of an Addendum to the Food and Beverage Management Services Agreement between the Metropolitan Exposition Recreation Commission and ARAMARK/GIACOMETTI, a Joint Venture.

The Metropolitan Exposition recreation Commission finds:

1. That a new Pourage and Sponsorship Agreement has been approved by the MERC Commission for Coca-Cola to have exclusive rights to beverages served in the facilities.
2. Aramark/Giacometti participation was essential in securing a favorable sponsorship package agreed to require Coke products to be sold in the public lobby areas of MERC facilities.
3. Both parties agreed that ARAMARK/Giacometti revenues generated and received by MERC from the Coca Cola vending units would be considered Gross Revenues in accordance with the conditions and terms of the Agreement.

BE IT THEREFORE resolved that the Metropolitan Exposition Recreation Commission approves the Addendum, attached as Exhibit A, to the Food and Beverage Services Management Agreement between the Metropolitan Exposition Recreation Commission and ARAMARK/GIACOMETTI, a Joint Venture, originally dated July 1, 1999.

Passed by the Commission on November 28, 2001.

Chair

Secretary-Treasurer

Approved as for form:
Daniel B. Cooper, General Counsel

By: _____
Kathleen Pool, Sr. Assistant Counsel

MERC Staff Report

Agenda Item/Issue: Approve the Addendum to the Food and Beverage Management Services Agreement between MERC and ARAMARK/Giacometti Joint Venture.

Resolution No.: 01-44

Presented By: Jeff Blosser

Date: May 16, 2001

Background and Analysis:

Coca-Cola of Oregon was awarded the exclusive pourage and sponsorship rights for MERC facilities through a MERC-approved Request for Proposal process. Pursuant to this agreement, Coca Cola is the exclusive supplier of soft drink vending in public areas for the term of the Agreement. The Concessions and Catering Management Agreement between MERC and Aramark specifically excludes vending machine sales as a Concession Product. Consequently, vending machine sales are not included in Gross Revenues that Aramark participates in. However, Aramark services were essential in securing the favorable pour and sponsorship rights. As such, for providing these services, MERC and Aramark agreed that these new Coca Cola vending machines sales would be considered a Concession Product; and, therefore these vending machine sales will be included in Gross Revenues.

Fiscal Analysis:

MERC's commission on the new Coca Cola vending machines total sales is projected to be \$15,000. Therefore, based on the distribution of revenues, ARAMARK/Giacometti receives 3.9% of Net Gross Receipts and 8% of Net Profits in any Accounting Year, the annual fiscal impact is less than \$2,000.

Recommendation:

Staff recommends that the Metropolitan Exposition Recreation Commission approve the Addendum, attached to Resolution 01-44 as Exhibit A, to the Food and Beverage Management Services Agreement between the Metropolitan Exposition Recreation Commission and ARAMARK/GIACOMETTI Joint Venture; and further, authorizes the MERC General Manager to execute this Addendum.

**ADDENDUM TO FOOD AND BEVERAGE MANAGEMENT SERVICES
AGREEMENT (the Agreement)
BETWEEN\
ARAMARK/GIACOMETTI JOINT VENTURE (ARAMARK/Giacometti)
AND THE
METROPOLITAN EXPOSITION RECREATION COMMISSION (MERC).
Originally Dated: July 1, 1999
Contract No: 921434**

This Addendum to the Agreement is agreed by and between the Metropolitan Exposition Recreation Commission and ARAMARAK/Giacometti Joint Venture effective November 28, 2001.

RECITALS

ARAMARK/Giacometti and MERC are parties to a Food and Beverage Service Management Agreement dated July 1, 1999 and ending June 30, 2003.

The Parties mutually desire to amend the agreement to change the Net Revenue Incentive Goals and change vending machine income language.

ADDENDUM

Now, therefore, in consideration of the mutual covenants of the Parties hereto, and upon the express terms and conditions hereinafter set forth, IT IS AGREED by and between them as follows:

1. Both parties participated in the selection of an exclusive pourage service and Coca-Cola Bottling of Oregon was the successful proposer.
2. Aramark/Giacometti participation was essential in securing a favorable sponsorship package agreed to require Coke products to be sold in the public lobby areas of MERC facilities.
3. Both parties agreed that ARAMARK/Giacometti revenues generated and received by MERC from the Coca Cola vending units would be considered Gross Revenues in accordance with the conditions and terms of the Agreement.

4. Effective November 28, 2001, all revenues received through Coca-Cola vending units will be treated as Gross Revenue pursuant to the Agreement.
5. This Addendum constitutes the entire Agreement and understanding between the MERC and ARAMARK/Giacometti. No provision of this Agreement may be changed or eliminated unless mutually agreed to in writing by the MERC and ARAMARK/Giacometti.

ARAMARK/Giacometti CORP.

METROPOLITAN EXPOSITION
RECREATION COMMISSION

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM
Daniel B. Cooper, METRO General Counsel

By: _____
Kathleen A. Pool, Sr. Assistant Counsel

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