

QUEENSBOROUGH COMMUNITY COLLEGE
The City University of New York
ACADEMIC SENATE
COMMITTEE ON VENDOR SERVICES

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To: Emily Tai Chair, Steering Committee of the Academic Senate
From: NamJong Moh Chair, Committee on Vendor Services
Subject: Annual Report for Committee on Vendor Services
Date: August 2011

1. The Members of Committee Vendor Services were:

NamJong Moh, Chair
Wenli Guo, Secretary
Angela Poulakidas
Eladia Raya
Weier Ye
(William Faulkner, President's Designee)

2. The Committee met on the following dates:

October 13, 2010
December 1, 2010
March 9, 2011
April 6, 2011
May 19, 2011

3. Summary of Committee work:

- 1) The Committee recommended that the Auxiliary Enterprise Board and the College administration attempt to find ways to reduce the price of bottled water and to increase the number of healthier options made available through vending machines.**

In the Committee's first meeting, on Oct. 13, 2010, the members discussed the price of bottled water at vending machines. Currently the price of bottled water is equal to the price of most carbonated beverages. The Committee believes that a significant reduction of the price of bottled water relative to other beverages will make water more accessible to students and entice students to make the healthier choice. Also discussed were ways to increase the number of other non-carbonated healthier

beverages available. The president’s designee and a member of the Auxiliary, Dean William Faulkner, informed the Committee that the contract for vending and beverage services, currently with CC Vending and Pepsi, will expire on Aug 31, 2011 and a Request for Proposal (RFP) was expected to be issued.

In the second meeting, on Dec 1, 2010, further discussions of the price of water and other healthier choices were made, and Dean William Faulkner was requested to bring these matters to the Auxiliary. In the fourth meeting, on Apr 6, 2011, Dean William Faulkner confirmed that RFP was going to be completed in the Spring of 2011. The committee sent a recommendation to President Diane Call regarding the issue.

2) The Committee evaluated the report of the Auxiliary Enterprise Board.

In accordance with the Committee charge, the report of the Auxiliary Enterprise Board was evaluated. The report consisted of the “Financial Statements together with Report of Independent Certified Public Accountants of Queensborough Community College Auxiliary Enterprise Association, Inc” (the “Auxiliary”) dated June 30, 2010, and the “QCC Auxiliary Contract Summary” as of April 6, 2011.

As of June 30, 2010, the Auxiliary’s total net assets (total assets minus total liabilities) amounted \$ 2,124,318. The Auxiliary’s total revenues for fiscal year 2010 were \$ 2,152,370, and total expenses were \$ 1,503,398. As of March 2011, the Auxiliary’s Contract Summary is as follow.

Contract	Expiration Date	Terms
Barnes & Noble – college bookstore service	7/31/2015	5.5% of total sales inclusive of guaranteed rent of \$175,000 annually: 1.5% of net textbook sales
Metropolitan Foods – cafeteria, catering and food vending services	7/30/2014 (plus one two year extension option)	Commission of \$35,000 in 2009 – 10, rising to \$45,000 in final year of initial five year term. \$125,000 of capital investment over contract term.
Pepsi Cola – Campus pouring rights	8/30/2011	Annual royalty payment of \$60,000 plus 100 cases of soda and \$1,000 donation
CC Vending – operate beverage vending machines	8/30/2011	\$90,000 annual commission guarantee; 45% of gross annual sales above \$250,000
Verizon – wireless communication tower lease	4/01/2014 for initial 5 year term (plus two five year options)	\$33,000 annually with 3% yearly escalations
T-Mobile – wireless communication tower lease	9/01/2011 plus four five year renewal options	\$30,000 plus 3% escalations annually; 5% additional escalation for each additional option exercised
Sprint – wireless communication tower lease	12/19/2011 (first of four additional five year options already exercised)	\$32,000 in second term escalating at 3% annually

4. Report on status of prior recommendations made to the College and reported the Academic Senate:

No change has been made to clarify further the charges of the Committee. (See 2009/2010 annual report item number 6. 1.)

The Committee received financial reports of the Auxiliary, Inc and the contract summary from the Auxiliary Enterprise Board. (See 2009/2010 annual report item number 6. 2.)

5. New Recommendations:

To continue following up on the Committee’s recommendation on the price of bottled water be reduced and the availability of healthier choices be increased.

6. The new members of Committee on Vendor Services are:

Gheorghe Proteasa	Biology and Geology	Chair
Lawrence Bentley	Nursing	Secretary
Manette Berlinger	Basic Skills	
Jonathan Cornick	Math & CS	
Eladia Raya	Foreign Language	

(William Faulkner, President’s designee)