

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 21
DATE: December 14, 2018

RECOMMENDATION
CAMPUS LAUNDRY EQUIPMENT AGREEMENT

ACTION REQUESTED

It is recommended that the Board of Regents delegate to the President or designee to negotiate and execute a campus laundry services agreement extending to December 31, 2028.

STAFF SUMMARY

Eastern Michigan University has maintained a long-standing professional relationship with Wash Multifamily Laundry System (the "Vendor") to install and maintain laundry machines throughout the University's residence halls.

The agreement terms will include the following key provisions:

- The University will earn 58.5% of the net revenue received from the use of the Vendor's equipment,
- The Vendor will earn 41.5% of the net revenue received from the use of the Vendor's equipment,
- The University shall provide water, gas and electricity to operate the equipment at no cost to the Vendor,
- Each washer and dryer will be programmed to operate at \$1.25 per load.
 - Note: Existing rates are \$1.25 per load. Rates will remain fixed for the next 10 years within the scope of this agreement.

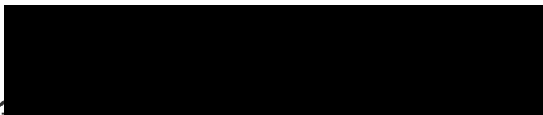
FISCAL IMPLICATIONS

The revenues earned from the agreement will offset the operating expenses incurred within the Housing auxiliary.

Past performance indicates that the University may expect approximately \$85,000 in annual revenues from this agreement.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.



University Executive Officer

December 14, 2018
Date

LAUNDRY EQUIPMENT AGREEMENT

THIS AGREEMENT is made and entered into on **December 1, 2018**, by and between **EASTERN MICHIGAN UNIVERSITY BOARD OF REGENTS** (hereinafter called "University") and **WASH MULTIFAMILY LAUNDRY SYSTEMS** (hereinafter called "Vendor").

RECITALS

- A. The Vendor is engaged in the business of installing, maintaining, and operating laundry equipment.
- B. The University desires to make available to its faculty, students, employees, residents, and guests the services of Vendor.

NOW THEREFORE, it is agreed that:

- 1. The University hereby grants to the Vendor exclusive rights to, and Vendor shall, install and maintain washers and dryers on the University's campus in the number and locations described in Exhibit A that is attached hereto and incorporated herein by this reference (collectively referred to herein as the "Premises"). The number and location of machines shall be by mutual agreement between the Vendor and the University.
- 2. Vendor agrees to pay University an amount equal to **FIFTY EIGHT AND 50/100THS PERCENT (58.5%)** of the revenue received from the use of Vendor's equipment located in the Premises (the "Equipment"), less any refunds, applicable sales, use, property or similar excise taxes, and vandalism, operational and administrative fees (including credit/debit card and wireless system fees where applicable) payable in connection with the operation of its equipment. Said percentage of revenue shall be payable within thirty (30) days following the collection of revenue by Vendor and shall be paid by check to **EASTERN MICHIGAN UNIVERSITY, C/O HOUSING DEPARTMENT, YPSLANTI, MI 48197**, or as designated by the University.
 - a. University will receive with each check an account history and accountability statement that includes: collection date, days since last collection, gross income collected, check amount, total year-to-date gross income, and total year-to-date of University's share of the income.
- 3. Vendor must demonstrate that all applicable licenses and permits that pertain to the laundry equipment are current.
- 4. Vendor shall refund any monies lost due to failure of equipment. All such refunds will be handled directly between the Vendor and the patron, or as designated by the University.

LAUNDRY EQUIPMENT AGREEMENT (CONTINUED)

5. It is mutually agreed that, except in cases involving the University's negligence, the University shall not be liable for loss of or damage to Vendor's equipment.
6. The University shall, at its own expense, provide water, gas, and electricity as may be required to operate the equipment. All machines, equipment, and fixtures installed pursuant to this Agreement shall remain the property of the Vendor. Any repairs to University-owned equipment and facilities necessitated by malfunctioning of Vendor's equipment shall be the responsibility of the Vendor.
7. Prior to installation of the equipment, Vendor, upon request, shall furnish at its own expense, a policy of liability insurance naming the University as an additional insured, non-cancelable except upon ten days' written notice to the University, and covering liability for bodily injury in a minimum amount of \$10,000,000 and liability for property damage in a minimum amount of \$10,000,000 for each accident. Vendor shall maintain with the University current certificates of insurance evidencing each such insurance policy throughout the term of this agreement and any subsequent extensions of the agreement.
8. The term of this Agreement shall be for **TEN (10)** year(s), commencing on **December 31, 2018**, and expiring on **December 31, 2028** (the "Term").
9. The washers and dryers are to be of a variable setting type to meet the washing and drying recommendations of current clothing manufacturers with respect to wash, wear, permanent-press clothing, and regular articles of clothing.
10. Vendor to maintain existing laundry equipment, see attached EXHIBIT A.
11. Each washer will be programmed to operate for **\$1.25** per load. Each dryer will be programmed to operate for **\$1.25** per load.
12. Vendor's washers and dryers will be furnished with on-board wireless machine interface devices (where available) that allow customer vend payments to be made via mobile-to-machine interface technology.
 - a. Vendor will present to University, not less than once a year, any technology updates for the University to consider implementing. Any updates in technology will be implemented by written agreement of both parties that shall be incorporated into this agreement as an addendum.
13. **Additional Provisions.** Vendor agrees to maintain its washers and dryers in the Premises in good working condition. Complaints of mechanical failure shall be responded to within TWO (2) days (weekends and holidays excluded) after receipt by Vendor of notice of mechanical failure.

14. **Termination.** Any other provision to the contrary notwithstanding, this Agreement may be terminated as follows:
- a. Either party may terminate this Agreement without cause and without further liability of either party, upon sixty (60) days prior written notice via certified or overnight mail to the other party; provided, that, if the University is the terminating party, the University agrees that along with such notice, the University will include payment of an early termination fee (not a penalty) calculated as follows: an amount equal to the average monthly revenue received from the Equipment over the previous twelve (12) months, multiplied by **FORTY-ONE AND 50/100THS PERCENT (41.5%)**, up to a maximum of twenty-four (24) (months).
 - b. Either party may terminate this Agreement for cause upon thirty (30) days' prior written notice via certified or overnight mail to the other party (the "Cure Period"). For cause is defined as any material breach of the provisions of this Agreement that is not remedied prior to expiration to the Cure Period.
 - c. If the costs of supplying or servicing the equipment become uneconomical for Vendor, and the University and Vendor are unable to establish a new agreement, University may terminate this Agreement without liability upon sixty (60) days' prior written notice to the Vendor and within ten (10) days thereafter, remove the equipment; provided, however, that in the event Vendor terminates this Agreement under this Article 14(c), the equipment will remain on campus up to six (6) months and University shall have the right to purchase, at fair market value, all of the laundry equipment provided by Vendor to University per Exhibit A then existing at termination.
15. Vendor shall replace a washer or dryer as Vendor deems operationally required or, upon University's request, in the event a particular washer or dryer requires service for non-operator caused mechanical failure more than three times during any consecutive thirty-day period.
16. Vendor is to provide, install, and maintain in each location a sign, label, or other device in prominent view with the following:
- a. Name of Vendor.
 - b. Operating instructions.
 - c. Phone number(s) to be called for repairs, service and/or refund.

Additionally, Vendor shall provide, install, and maintain on each piece of equipment a decal, label, or other device in prominent view, which gives the cost of operating the equipment.

17. This Agreement, including Exhibit A, sets forth the entire understanding between the parties and may only be amended in a written document signed by each party.

LAUNDRY EQUIPMENT AGREEMENT (CONTINUED)

18. Notices concerning this Agreement shall be directed as follows:

UNIVERSITY:

Eastern Michigan University
Purchasing Department
Attention: Travis Temeyer
204 Pierce Hall
Ypsilanti, MI 48197
(734) 487-1024

VENDOR:

WASH Multifamily Laundry Systems
100 North Sepulveda Blvd., 12th Floor
El Segundo, CA 90245

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first hereinabove written.

UNIVERSITY:

Eastern Michigan University

By: _____

Title: _____

Date: _____

VENDOR:

WASH Multifamily Laundry Systems

By: _____

Title: _____

Date: _____

EXHIBIT A

(EASTERN MICHIGAN UNIVERSITY)

Laundry Room and Machine Count By Dorm/Hall

<u>Location</u>	<u>Washers</u>	<u>Dryers</u>	<u>Total Machines</u>
1. Best Residence Hall MI0988001 - Doc Id: LR-18012-C9P1Y0	7	7	14
2. Brown Apartments MI0988002 - Doc Id: LR-18006-F0S8X6	5	6	11
3. Buehl Residence Hall MI0988003 - Doc Id: LR-18014-Q0R1Y5	8	8	16
4. Cornell Court Apartments MI0988004 - Doc Id: LR-18019-Q1K2H2	18	18	36
5. Downing Residence Hall MI0988005 - Doc Id: LR-18017-Y1K3S3	8	8	16
6. Hill Residence Hall MI0988007 - Doc Id: LR-18015-C9Z9L1	8	8	16
7. Hoyt Conference Center MI0988008 - Doc Id: LR-18013-J7C4K7	8	8	16
8. Munson Apartments MI0988010 - Doc Id: LR-18022-S8K8M1	4	4	8
9. Phelps Residence Hall MI0988011 - Doc Id: LR-18008-R3K9X9	6	7	13
10. Pittman Residence Hall MI0988013 - Doc Id: LR-18016-W9D5L4	8	8	16
11. Putnam Residence Hall MI0988014 - Doc Id: LR-18009-Z1G2M9	6	7	13
12. Sellers Residence Hall MI0988015 - Doc Id: LR-18010-D8T9W5	6	7	13
13. Westview Apartments MI0988016 - Doc Id: LR 18021-J8F0P0	30	30	60
14. Walton Residence Hall MI0988017 - Doc Id: LR 18011-T3H6C7	6	7	13
15. Wise Residence Hall MI0988018 - Doc Id: LR_18007-Z3K7Q9	6	6	12
16. Alpha Kappa Lamda MI0988019 - Doc Id: LR 18020-S5R2C6	2	2	4
17. The Village MI0988020 - Doc Id: LR 18018-B38D2	12	12	24
Total machine count:	148	153	301