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Press Release

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[Metro-North](#)

IMMEDIATE

MTA Metro-North Railroad Announces Vending Machine Program Projects Revenues of \$3 Million Over 10 Years

Metro-North Railroad is seeking MTA Board approval for an exclusive contract with Answer Vending Inc. of Farmingdale, NY to provide beverage and snack vending machines at its stations and employee facilities to improve customer amenities and increase non-fare revenues.

The \$3 million deal calls for Answer Vending to pay the railroad at least \$1.7 million over 10 years, plus up to \$1.2 million for "exclusive brand payments" from beverage and snack companies for the right to be the only products offered in the machines. For the first five years of the contract Coca Cola Enterprises will be the exclusive beverage provider and on an annually renewable basis, M&M/Mars (Mars Chocolate NA), Inc. will be the exclusive snack provider.

The product mix and consumer pricing is subject to Metro-North approval. Answer has committed to providing healthy snacks in addition to soda and candy. In addition to cash, the vending machines will accept credit and debit cards.

Currently, Metro-North has a limited selection of vending machines at its shops and train yards, and few or none at stations. In an effort to enhance services and increase revenues, Metro-North recently surveyed its stations for potential vending machine locations taking into account safety, security and the availability of electricity. A successful pilot program at Tarrytown and Larchmont showed that the concept was sound. Although most station tenants are only open for a few hours in the morning, the new machines will provide an amenity every day, all day.

In the first year of the contract, Answer would install 74 machines at passenger stations and 59 at employee facilities. During that time, Metro-North will upgrade electricity at several stations to allow installation of additional machines up to potential total of 207. Answer has agreed to contribute \$320,000 toward the electrical work.

Currently J&S Vending (a predecessor to Answer Vending Inc.) provides 60 vending machines at Metro-North employee facilities and at select stations, which generates about \$75,000 a year in revenue for the railroad.