



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 28, 2016**

FROM: GENERAL SERVICES DEPARTMENT **WARDS: ALL**

**SUBJECT: APPROVAL OF VENDING MACHINE SERVICE AGREEMENT FOR RFP 1572
WITH FIRST CLASS VENDING COMPANY AT VARIOUS CITY FACILITIES
FOR A TERM OF THREE YEARS**

ISSUE:

The issue for City Council consideration is to approve a Vending Machine Service Agreement with First Class Vending Company of Bell Gardens, California, for vending machine services with healthier choices at various City facilities for a term of three years with two, one year options to extend.

RECOMMENDATIONS:

That the City Council:

1. Approve the Vending Machine Service Agreement with First Class Vending Company for vending machine services at various city facilities for a term of three years with two, one year options to extend;
2. Authorize the City Manager or his designee to execute the Vending Machine Service Agreement including making minor non-substantive changes.

BACKGROUND:

On November 10, 2015, City Council unanimously adopted City-wide Healthier Food (i.e. snacks) and Beverage Guidelines ("Guidelines") proposed by the Office of the Mayor and the Councilmember Melendrez. These Guidelines apply to City-sponsored community events, youth and senior programs, meetings (for public and staff), City-managed vending machines and catering. City-sponsored community events include events that are organized/hosted by City staff. The Guidelines consist of nutrient specifications and adherence expectations. Nutrient specifications are based on widely-adopted school (i.e., U.S. Department of Agriculture standards) and community nutrition standards (i.e., American Heart Association). The level of adherence to the nutrient specifications varies according to setting: youth and senior programs, and City-managed vending machines (for public and staff) - 100%; City-sponsored community events - 50%; and catering for City meetings (public and staff) - 50% to 100%.

On December 4, 2015, the General Services Department issued a Request for Proposals Number 1572 (RFP) for vending machine services in accordance with the adopted Guidelines.

Staff conducted outreach to vendors that provide healthier vending options and advertised the RFP in a vending trade publication.

One proposal was received from the City's current vending machine service provider, First Class Vending, Inc. (First Class).

Consistent with prior vending service practice, as approved by City Council on September 9, 2003, revenue collected from vending machines at nine (9) park locations will be used for the benefit of community centers and programs at those respective locations, and with input from advisory groups. Last year, Parks Recreation and Community Services received \$7,319 in commissions from vending machines at park locations. For twenty-three (23) non-park locations, the City received \$6,739 in commissions.

The Parks, Recreation and Community Services Department, the Community and Economic Development Department and Purchasing Services Manager concur with these recommendations.

FISCAL IMPACT:

The total estimated income generated from the vending machines is \$14,000 to be deposited to Revenue Account No. 0000101-374200. This revenue may be adjusted according to the sales of vending options provided as part of the adopted Healthier Food and Beverage Guidelines.

Prepared by:	Carl Carey, General Services Director
Certified as to	
availability of funds:	Scott G. Miller, Interim Finance Director/Treasurer
Approved by:	Marianna Marysheva-Martinez, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Vending Machine Service Agreement with First Class Vending
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