



# City of San Antonio

## Agenda Memorandum

**File Number:13-808**

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**Agenda Item Number: 5.**

**Agenda Date:** 11/21/2013

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Contract Award: Healthy Snack Vending Services

### **SUMMARY:**

This Ordinance authorizes a contract with Ready Snacks of San Antonio, LLC to provide healthy snack vending services at City-owned and leased facilities. Healthy vending is one way to build healthier snacking habits in the worksite and these habits can extend to the home and throughout the community. Presently, there are approximately 60 snack vending machines located throughout the City. Any revenues generated by this contract will be deposited into the appropriate General Fund, Special Revenue Fund or Enterprise Fund.

### **BACKGROUND INFORMATION:**

Submitted for Council consideration and action is a proposal submitted by Ready Snacks of San Antonio, LLC (Ready Snacks) to provide healthy snack vending services in City-owned and leased facilities. The contract will require the vendor to stock machines with a minimum of 80% healthy snack items that meet the City of San Antonio Healthy Snack Vending guidelines. The guidelines require snack items have no more than: 200 calories, 35% of calories as fat, 10% of calories as saturated fat, 35% of calories as sugar, 250 milligrams of sodium per package. In addition, these guidelines do not allow fried foods. The remaining snack item selections will be stocked at the vendor's discretion.

The agreement is for an initial five-year term with an option to renew the agreement for two additional two-year terms. The City will receive a 5% commission based on the adjusted metered gross receipts. However, the City will receive a 7% commission should the average sales exceed \$250.00 per machine in a monthly

period or a 12% commission if average sales exceed \$300.00 per machine in a monthly period. As part of the contract, Ready Snacks will provide an assortment of healthy snacks items for City staff to sample at selected events.

In general, snacks meeting the Healthy Snack Vending Guidelines will be priced lower than those snacks which do not meet the guidelines. This pricing structure will help incentivize consumption of healthier snacks.

The City issued a Request for Proposals (RFP) for “Healthy Snack Vending Services” (RFP 013-002) on April 30, 2013, with a submission deadline of June 7, 2013. This RFP was advertised in the San Antonio Express News and on the City’s website. Two proposal responses were received. Ready Snacks of San Antonio, LLC was selected, based on the City’s standard RFP process.

The selection team consisted of representatives from the Finance, Health, Parks and Recreation and Building and Equipment Services departments. The Finance Department, Purchasing Division, assisted by ensuring compliance with City procurement policies and procedures. The proposals were evaluated based on the firm’s background, qualifications, experience, proposed plan, compensation schedule and the Small Business Economic Development Advocacy (SBEDA) Program, Small Business Enterprise (SBE) Prime Contract Program.

The evaluation of each proposal response was based on a total of 100 points; 25 points allotted for experience, background, qualifications; 40 points allotted for proposed plan; and 15 points allotted for respondent’s compensation schedule. Twenty preference points were allotted for the SBE Prime Contract Program.

The evaluation committee met on September 9, 2013 to evaluate the two proposals received. After interviews, committee review and discussion, individual technical scores were finalized and aggregate scores were then presented to the committee which included compensation and SBEDA scores. Ready Snacks of San Antonio, LLC, received the highest ranking and was recommended for award by the evaluation committee.

**ISSUE:**

Since 2001, the City has provided for snack vending services at its City-owned and/or controlled facilities. In June 2006, the City entered into a License Agreement for the provision of snack vending services with Independent Vendors of San Antonio, a Texas Limited Partnership, pursuant to Ordinance Number 2006-06-29-0814. This ordinance authorized a contract with IVSA for a period of seven years beginning July 1, 2006, and ending on June 30, 2013, with a three year extension option, subject to City Council approval. In 2010, as part of the City’s wellness initiatives, IVSA agreed to increase the variety of healthy snacks to promote and foster a culture of wellness in snack options for City employees. To continue in this effort, the City endeavors to further enhance healthy snack options and award a new contract for such services.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee applied the Small Business Enterprise (SBE) Prime Contract Program to this solicitation and awarded twenty (20) evaluation preference points to Ready Snacks of San Antonio, LLC, as they are certified SBE and located within the San Antonio Metropolitan Statistical Area.

The Local Preference Program does not apply to this contract since it was solicited prior to May 1, 2013, the effective date of the program.

**ALTERNATIVES:**

Should this contract not be approved, the City will no longer have a contract for snack vending services. In addition, lack of a contract could compromise the City's goal of providing healthier snack alternatives to employees and visitors in City facilities.

**FISCAL IMPACT:**

The estimated revenue from this contract is \$3,500.00 annually. Revenues from this contract will be collected in the General Fund for all vending locations, other than those at the Convention Center and Alamodome, in accordance with the FY 2014 Adopted Budget. Revenues collected from the locations at the Convention Center and the Alamodome (8 locations) will be collected by the HOT Fund in accordance with the FY 2014 Adopted Budget.

**RECOMMENDATION:**

Staff recommends approval of the contract with Ready Snacks of San Antonio, LLC to provide healthy snack vending services in City-owned and leased facilities which will commence on December 1, 2013.