



City of San Antonio

Agenda Memorandum

File Number: 15-1557

Agenda Item Number: 13.

Agenda Date: 5/21/2015

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Concession Contract with Compass Group USA, Inc for Vending Machine Services for the San Antonio Airport System

SUMMARY:

This Ordinance authorizes a concession contract with Compass Group USA, Inc. (Compass Group) dba Canteen Services to install and service snack or drink vending machines for the public and employees located at the airports in the San Antonio Airport System. The Minimal Annual Guarantee (MAG) is \$24,500.00 for the 14 public machines.

BACKGROUND INFORMATION:

The goals of the Airport Vending Machine Program for the San Antonio Airport System are to enhance passenger and visitor amenities at both airports by providing: 1) high quality snack and beverage vending machines that are conveniently available to passengers, visitors, and employees; 2) fair prices; 3) opportunities for disadvantaged businesses; and 4) maximum revenues for the City consistent with the other objectives for the Program and a fair profit for the selected Respondent.

Respondents were required to comply with the following regarding products and healthy selection:

- Healthier selections are to be staged at the eye-level of the consumer in the top two-thirds of the machine.
- Nutritional information or a list of healthier selections must be posted on the machine in compliance with the Affordable Care Act.

The City requires that a minimum of 75% of the selections in the snack vending machines meet the nutritional criteria listed below which include:

- nuts, seeds, and whole/dried fruits that are fewer than 200 calories per package; or
- non-fat or low-fat yogurts that are fewer than 200 calories per package; or
- skim or low-fat cheeses that are fewer than 200 calories per package; or
- any other snack items that do not exceed the following maximum *per package* limits: 200 calories, 35% calories as fat; 10% of calories as saturated fat; 35% of calories as sugar; 250 milligrams (mg) of sodium per package.

The nuts, seeds, whole/dried fruit, cheeses and yogurts options do not need to meet the fat and sugar criteria mentioned above. Healthier selections may not include fried foods or chips. In addition, freshness dates should be prevalent on all items.

The City requires that a minimum of 75% of the selections in the beverage vending machines meet the nutritional criteria listed below which include:

- 100% fruit juice and/or vegetable juice; or
- plain or carbonated water; or
- non-carbonated calorie free beverages; or
- one per-cent (1%) or non-fat white milk, if feasible; or
- diet soda.

The product content of all non-public vending machines must contain only healthier snack options and healthier beverage items.

Eleven vending machines (a mixture of snack and beverage machines) will be located in pre-security areas in Terminal A and Terminal B at the San Antonio International Airport. Three vending machines will be located at Stinson Municipal Airport. In addition, there are twelve non-public vending machines in the break rooms in five buildings serving employees. The Airport Director has the ability to increase or decrease the number of machines located at the airports. The Airport Director has the ability to change the locations of machines as needed.

Solicitation

A Request For Proposals was released in coordination with the Finance Department/Purchasing Division on April 23, 2014. Two proposals were received on May 23, 2014. An evaluation committee composed of representatives from the Aviation Department reviewed the proposals based on the published criteria of experience/background/qualifications, proposed plan and compensation. Compass Group scored the highest number of points and was selected by the committee.

Compass Group is the largest vending services company in the United States.

Airport Concessionaire Disadvantaged Business Enterprise Program

This solicitation was released under the Airport Concession Disadvantage Business Enterprise Program (ACDBE). The Federal Aviation Administration Airport Improvement Program, which provides grants to the San Antonio Airport System, requires that participating airports conform to the requirements of 49 Code of Federal Regulations (CFR) Part 23 of the ACDBE which prohibits the imposition of geographic location preference. While an ACDBE Goal was not required, compliance with the ACDBE Program's Good Faith Efforts Policy was evaluated.

ISSUE:

City Staff is requesting that City Council award a contract to Compass Group for the installation and service of vending machines for the San Antonio Airport System.

ALTERNATIVES:

City Council could elect to not authorize this contract. However, the solicitation was developed and released following City procedures and policies. A new solicitation will require additional time and there is a potential that for a period of time the Airport system would not have vending machines to provide to passengers and other visitors to the airports.

FISCAL IMPACT:

The agreement is for a term of five years. The Minimum Annual Guarantee (MAG) will be \$24,500.00 for the 14 public machines. For each subsequent lease year, the MAG will be set at 85% of the rent payables during the previous year; but not less than \$24,500.00.

RECOMMENDATION:

Staff recommends authorizing a concession contract with Compass Group USA, Inc. (Compass Group) to install and service snack or drink vending machines for the public and employees located at the airports in the San Antonio Airport System.