



CITY OF GLENDALE, CALIFORNIA
REPORT TO THE:

Joint City Council Housing Authority Successor Agency Oversight Board

April 10, 2018

AGENDA ITEM

Report: Healthy Vending Services Program

- 1) Motion awarding a contract for the Healthy Vending Services Program, Specifications No. 3664 to Intellivend, Inc. for five years with one optional five year extension and authorizing the City Manager to execute the contract.

COUNCIL ACTION

Public Hearing Ordinance Consent Calendar Action Item Report Only
Approved for April 10, 2018 calendar

ADMINISTRATIVE ACTION

Submitted by:
Roubik Golanian, Director of Public Works

Prepared by:
Jeremy Bates, Hourly City Worker

Approved by:
Yasmin K. Beers, City Manager

Reviewed by:
Michael J. Garcia, City Attorney

Bob Elliot, Director of Finance and Administrative Services

Shea Eccleston-Banwer, Public Works Manager

Signature

Handwritten initials

RECOMMENDATION

Staff respectfully recommends that the City Council approve a Motion awarding a contract for the Healthy Vending Services Program, Specifications No. 3664, to Intellivend, Inc. for five years with an option to extend the contract for one additional five year term.

BACKGROUND/ANALYSIS

The City Council approved Resolution 16-58 ("Adopting a Healthy Snack and Beverage Policy for Vending Machines on City Property") on March 29, 2016, which put in place nutritional requirements for products offered through all new contracts for vending machines on City property. Since Resolution 16-58 was passed, a previous contract has remained in place for vending machines on all City properties except for the Police Building. This contract is set to expire on April 30, 2018, necessitating a new contract.

On December 12, 2017, City Council authorized the Director of Public Works to release a request for proposals (RFP) for a new vending contract for vending machines on City property. The new healthy vending requirements were included in this RFP. The Public Works Department released this RFP on January 24, 2018, and accepted proposals through February 23, 2018.

Evaluation Results

Three companies submitted proposals in response to the RFP. These proposers were Vending One, Inc.; Vending and Amusements, Inc. (DBA First Choice Vending and Amusements); and Intellivend, Inc. After the submittal deadline, the Evaluation Committee, composed of City staff from Public Works, Community Services and Parks and Finance, as well as a representative from the City of Pasadena's Department of Public Health in charge of their Healthy Vending Program, met to evaluate and score the proposals based on the below criteria.

Criterion	Weighting Percentage
<u>Revenue:</u> The commission percentage proposed by VENDOR and potential revenue the Agreement could deliver to GLENDALE.	40%
<u>Qualifications:</u> VENDOR's capacity to adequately handle the workload requirements of the Agreement as stipulated in this RFP.	20%
<u>Healthy Vending Experience:</u> VENDOR's experience with implementing healthy vending programs.	20%
<u>References:</u> The level to which outside agencies can attest to VENDOR's satisfactory provision of services.	10%
<u>Energy Savings:</u> The extent to which VENDOR can demonstrate that their technology could provide energy savings or other environmental benefits.	10%

Upon the initial review of the proposals by the Evaluation Committee, Vending One's proposal was deemed not to have met the requirements of the RFP as it would not comply with the City's healthy vending guidelines. Additionally its commission proposal for the City was vastly less competitive than the other two proposals. Accordingly, the Evaluation Committee scheduled interviews with First Choice Vending and Intellivend as finalists. The commission proposals from the two vendors were as follows:

Vendor	Commission Proposal
First Choice Vending	23% on monthly gross revenue up to \$4,000 25% on monthly gross revenue from \$4,001 to \$8,000 28% on monthly gross revenue above \$8,000
Intellivend	30% on monthly gross revenue

Both vendors propose to calculate monthly gross revenue to be all revenues minus applicable sales taxes and California Redemption Value (CRV). The interview process helped the Evaluation Committee to clarify the two vendors' qualifications on the other evaluation criteria. Both companies were similarly qualified on all criteria, but due to its more advantageous revenue proposition for the City, Intellivend was selected by the committee as the vendor of choice for this program.

Staff proposes entering into a five year contract with Intellivend, Inc. to provide vending machines and products in compliance with Resolution 16-58 on all City properties except for the Police Building. The contract would have one optional five year extension to be exercised by the City if the City deems it in its best interest to extend the contract. The five-year length of the contract is appropriate given the significant capital investment required on the part of the vendor to purchase, install, and maintain the vending machines. Additionally, the optional extension provision will give the City the flexibility to extend or not extend the contract based on the vendor's performance.

FISCAL IMPACT

Historically, the annual commission for the Glendale vending machine program has totaled between \$10,000 and \$12,000. As part of research for the development of the City's Healthy Vending Policy in 2016, staff concluded that the new policy would likely decrease City vending revenues by 30-40%, based on other public agencies that implemented similar healthy vending programs. However, the 30% commission on monthly gross revenue proposed by Intellivend is higher than the 25% commission rate of the expiring contract.

ALTERNATIVES

Alternative 1: Approve the attached Motion awarding a contract for the Healthy Vending Services Program, Specifications No. 3664 to Intellivend, Inc. for five years with one optional five year extension and authorizing the City Manager to execute the contract.

Alternative 2: Direct staff to reconsider proposals or re-solicit proposals for this project.

Alternative 3: The City Council may consider another alternative not proposed by staff.

EXHIBITS

None.

MOTION

Moved by Council Member _____, seconded by Council Member _____, that the proposal submitted by Intellivend, Inc., for the Healthy Vending Services Program, Specifications No. 3664, is hereby approved and accepted. The City Manager or her designee is hereby authorized to execute a 5-year contract with the option to extend the contract for one additional 5-year term, subject to approval by the City Attorney.

Vote as Follows:

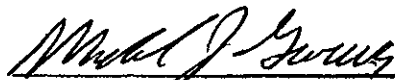
Ayes:

Noes:

Absent:

Abstain:

APPROVED AS TO FORM



CITY ATTORNEY

DATE 4/5/18

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