



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: 8/14/07
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Bob Nisbet, Director (560-1011)
Director(s) General Services Department
Contact Info: Paddy Langlands, Assistant Director (568-3096)
Support Services Division

SUBJECT: **Countywide Vending Machine Operations License Agreements with San Luis Beverages, Lindberg Vending, and Snackman Vending; Folio Nos. 003386, 003387 & 003388**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions: That the Board of Supervisors approves and executes License Agreements with the following three (3) vendors for the purpose of providing and servicing vending machines containing at least 50% nutritional snacks and beverages in county owned and leased facilities. The license term is for a period of five (5) years commencing upon execution of the License Agreements by the Board, and includes five 1-year renewal options which may be exercised by mutual consent of the parties. As consideration for the license, the vendors shall pay a 20% commission of gross sales on a monthly basis.

- A. Michael Karlak dba San Luis Vending, a local vendor, in the North County,
- B. Steve Lindberg dba Lindberg Vending, a local vendor, in the Central County, and
- C. Eric Hall dba Snackman Vending, a local vendor, in the South County.

Summary Text:

In October of 2005, with the expiration of the vending machine operations licenses pending, the General Services Department, Office of Real Estate Services began the bid process for new contractors for vending machine operations serving Santa Barbara County. A "Request for Services/Request for Qualifications" was published in the Santa Maria Times, Lompoc Record and Santa Barbara News Press for 3 successive Fridays in January of 2006. The RFS/RFQ was also faxed to all vending machine

contractors listed in the local directories for Santa Maria, Lompoc, Santa Ynez, Solvang, Buellton, Goleta, Santa Barbara and Carpinteria. The bid submittal deadline date was set at January 26, 2007.

The department received four (4) bids. All four bids were reviewed and rated by a panel comprised of one manager and two staff members from the Public Health Department/Nutrition Services Program and an Office of Real Estate Services staff member. Based on the results, Michael Karlak dba San Luis Beverages, Steve Lindberg dba Lindberg Vending and Eric Hall dba Snackman Vending were selected and offered a License Agreement for their services. Incidentally, these contractors have been operating the county's vending machine program since 1997, and are currently holding over on a month to month basis until the new License Agreements have been approved and executed by the County Board of Supervisors.

Background:

In 1991, after extensive research, the General Services Department initiated an RFS and bid process for vending machine operators for placement and servicing of vending machines in county facilities. On January 28, 1997, bids were awarded to San Luis Vending in the North County, Lompoc Vending in the Central County, and Snackman Vending in the South County, and License Agreements were executed by the County Board of Supervisors. The License Agreements granted the licensees a 3-year term with five 1-year renewal options which could be exercised by mutual consent of the parties. General Services was granted approval authority to exercise the renewals on behalf of the Board.

With national focus on obesity, as well as, prompting from County Public Health/Nutrition Services staff, the General Services Department/Office of Real Estate Services was encouraged to introduce healthy snacks and beverages in all vending machines in County facilities. On July 20, 2004, the County Board of Supervisors approved the *First Amendment to License Agreement* for the contracted vendors. The amendment provided for a 3-year pilot program which included a monthly reporting system to the County on sales data. The sales data allowed County staff and the vendors to monitor the program in all areas of the County and adjust the amount of healthy snacks and beverages offered in any vending machine. County staff worked closely with the vendors during the pilot program to ensure a successful program. A successful program was identified as one that would meet the County's goal for promoting healthy eating habits within our workforce and the public we serve, while allowing the vendors to realize the monetary profits of making healthy foods, good business.

During the term of the three-year pilot program, all vending machines in County facilities were surveyed annually by a Nutrition Services intern. After a rough start and a lot of assistance from the Nutrition Services staff, the vendors became educated on the nutrition requirements established by Senate Bill 19. Today, the vendors for the most part are doing a wonderful job. The vendors and County staff consider this program a success.

Fiscal and Facilities Impacts:

Budgeted: No

Narrative: The License Agreement requires the vendors to pay a 20% commission from cash sales received, on a monthly basis. The revenues paid will be deposited into the rental property program 1207 of General Services and used to administrate and property manage the vending program.

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Vending machines will be placed in areas that will not impact the departments' use of space. Departments have the option of not having vending machines at any of their locations.

Special Instructions:

Upon approval and execution by the Board, the Clerk should distribute as follows:

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| 1. Original License Agreements | Board's Official File |
| 2. Duplicate original Licenses Agreements
& Minute Order | Attn: Connie Smith, GS/Support Services Div.,
Courthouse, 2 nd Floor East Wing |

Attachments:

License Agreements (3)

Authored by: Connie Smith, Office of Real Estate Services.

cc: Ann Patterson, Public Health Department/Nutrition Services