



**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

Submitted on:  
(COB Stamp)

Department Name: Sheriff  
Department No.: 032  
For Agenda Of: April 1, 2025  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

**TO:** Board of Supervisors

**FROM:** Sheriff’s Office Bill Brown, Sheriff-Coroner, (805) 681-4290  
Contact Info: Lieutenant Selim Celmeta, (805) 681-4047

**SUBJECT:** Agreement with Keefe Commissary Network, LLC

**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Yes

As to form: Risk Management

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute the Agreement with Keefe Commissary Network, LLC to continue providing commissary services at Sheriff’s Office Correctional Facilities for a period effective January 1, 2025, through December 31, 2025, and
- b) Determine that the activity is not a “Project” subject to California Environmental Quality Act (CEQA) review per CEQA Guideline Section 15378(b)(5), since the activity is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

**Summary:**

This item is before your Board to authorize a contract amendment with Keefe Commissary Network, LLC to continue providing commissary services to incarcerated individuals in the County’s jail facilities, for the period of January 1, 2025, through December 31, 2025. This contract amendment includes changes to the commissary commission percentage, changes to contractor fees, and a 11%

price increase, resulting in a lower net contribution to the Inmate Welfare Fund, estimated at a \$20,000 reduction for FY 2024-25, and \$20,000 for FY 2025-26.

The original contract commenced on January 1, 2021, with a four-year term and an option to renew the contract for two additional one-year terms. Because the upcoming term contains numerous changes, a new contract was used to reflect the new terms for 2025.

**Background:**

On January 1, 2021, the County entered into an agreement with Keefe Commissary Network, LLC (Attachment D) to provide commissary services to incarcerated individuals in the County's correctional facilities. This contract expired on December 31, 2024. Due to significant consumer price index, and inflation and related impacts on the vendor's cost of doing business, Keefe Commissary Network proposed changes to the Original Contract Agreement on March 7, 2024. Proposed changes included a reduction in commission rates, the removal of an annual guarantee, changes in credit card deposit rates, changes to the online Secure Pak processing/handling fees and an increase in product pricing. Following an extensive negotiation and a review process, the Sheriff's Office is proposing the below contract amendments:

- County's commissary commission percentage will decrease from 35% to 30% - this decrease in commission percentage will impact the Inmate Welfare Fund by an estimated \$50,000 per \$1.0 million in sales, as it reduces the Fund/s revenue share on each item sold in the commissary.
- Removal of the minimum annual guarantee of \$325,000 - this minimum commission guarantee was removed, as the reduction of the commission rate would make it too difficult to reach that guarantee; this change will have no additional fiscal impact on the Fund beyond the decreased commission listed above.
- Secure Deposit fees made by credit cards will increase from \$2.50 to \$4.00 per transaction – this change will not impact the Fund but will impact the incarcerated individuals and their families when purchasing commissary.
- Online Secure Pak packages processing/handling fee will increase from \$2.99 to \$5.00 per transaction – same as above; this change will impact individuals purchasing these commissary packages for incarcerated individuals.
- Apply a price increase of 11% to both commissary and online menus – this will increase costs to individuals purchasing these items, as well as providing associated higher commissions to the Fund, estimated at \$20,000 per \$1.0 million in sales.

Inmate commissary sales commission is the largest revenue source for the Inmate Welfare Fund (Fund 0075). During FY 2023-24, the total gross revenue received from inmate commissary sales was \$917,015. All charges for the Keefe Commissary Network are paid out of revenues earned from commissary sales, and the resulting net revenue received from such sales was \$338,872 for that year. The changes listed above, which are effective January 1, 2025, through December 31, 2025, have implications for the Inmate Welfare Fund revenue for the upcoming year. The price increase of 11% to both commissary and online menus may partially offset the anticipated deficit.

The Sheriff's Office, Custody Support Division, Resources Unit has provided oversight for inmate commissary services for many years. Vendors who are contracted to provide commissary services

for inmates incarcerated in the County of Santa Barbara must provide adequate staffing, commissary order placement and timely delivery of the products.

Commissary services play a crucial role in the proper management of incarcerated individuals by providing access to items that can improve quality of life, such as snacks, better hygiene products, and other personal care items. Having the ability to choose and buy items helps mimic the outside world's consumer choices and can contribute to a sense of normalcy among inmates. Commissary services provide a wider variety of food options, allowing inmates to supplement their diet with items that are not provided in the standard meals. Access to commissary privileges can also be used as an incentive for good behavior within the jail system, encouraging inmates to follow rules and regulations. Overall, commissary services contribute to the overall well-being of inmates and help maintain a more manageable and humane environment within County's correctional facilities.

All revenues generated from the purchase of inmate commissary purchases are deposited into the Inmate Welfare Fund. The money deposited into this fund must be expended by the Sheriff primarily for the benefit, education, and welfare of the inmates confined within the jail. In accordance with California Penal Code Section 4025 (d), the Sheriff's Office Inmate Welfare Fund reconciles with the vendor monthly and records their portion of revenue. Inmate commissary purchases represent approximately 25% of the Inmate Welfare budget.

#### **Contract Risk, Renewals and Performance Outcomes:**

During the past fiscal year, the contractor had several outages to Access Corrections Services which impacted Keefe Commissary Network and Online Banking Software. Although these outages were short (30 to 60 minutes intervals), Keefe always tackled the issues with urgency, remediating the problems in a timely manner, and minimizing the interruption of services to incarcerated persons and their families. In addition, Keefe Group is always ready to assist with answering inmate grievances, address their needs and always adding new products to the menu. The contractor has provided satisfactory service; therefore, the Sheriff's Office recommends an extension to this contract.

However, the proposed contract amendment results in a negative fiscal impact to the Inmate Welfare Fund as well as to the incarcerated individuals and their families. As a result of these changes and to ensure the County is receiving competitive pricing for this service, the Sheriff's Office plans to release a request for proposals for these services following the expiration of the 2025 contract term. Specific performance metrics, such as sales volume, profit margins, and contract compliance, will be incorporated into future contracts.

#### **Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

This is a revenue generating contract where commissions pay for the vendor’s services. No additional funds are needed to pay for the contract.

	Calendar Year 2024 (Actuals)	Calendar Year 2025 (Est)
Commissary Sales	1,394,800.00	1,478,500.00
Less:Point of Sale System Cost	427,900.00	453,600.00
Net Revenue	966,900.00	1,024,900.00
Inmate Welfare Fund Commission	35%	30%
	338,400.00	307,500.00

**\*\*** 35% for July 2024- December 2024 and 30% January and beyond

In recent years, Fund 0075 (Inmate Welfare Fund) has experienced a moderate decline in revenues, combined with an increase in expenditures, due to a number of factors, leading to a fund imbalance as discussed in the Inmate Welfare Fund Annual Statement for Fiscal Year 2023-24, which your Board received on August 20, 2024. As the main contributor to the revenues deposited in this Fund, proposed changes from Keefe Group will further impact the Fund negatively. To reverse this trend of expenditures outpacing revenues, the Sheriff’s Custody Branch team is actively monitoring the Fund expenditures to identify areas where cost efficiencies can be achieved. This process will not only help in controlling costs, but also in reallocating resources more effectively to critical areas. Furthermore, the Sheriff’s Office is exploring diversifying the product portfolio within the Sheriff’s printshop. By introducing new products, the Sheriff’s Office aims to capture a broader market segment and increase associated revenue streams. This effort will require the purchase of new equipment, which will happen in the next six months.

**Special Instructions to Clerk of the Board:**

Clerk of the Board: Please send two (2) copies of the official executed agreement amendment and two (2) copies of the Minute Orders to the Sheriff’s Office, Attention CFO Hope Vasquez, and Lieutenant Selim Celmeta.

**Attachments:**

Attachment A: Agreement for Services with Independent Contractor

Attachment B: Mandatory Requirements of Inmate Commissary Services with Keefe Commissary Network LLC (listed as Attachment 1 in the agreement)

Attachment C: Keefe Commissary Executed Agreement 2021-2024

Attachment D: Certificate of Insurance

**Authored by:**

Selim Celmeta, Lieutenant

County of Santa Barbara Sheriff’s Office, Custody Support Division, Resources Unit