

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Less 19-044H – Healthy Vending Program

This request is to approve the recommendation to award Invitation to Bid (ITB) 19-044H – Healthy Vending Program for a thirty-six (36) month contract from January 1, 2019 through December 31, 2022. This ITB provides a pool of pre-approved vendors that are able to supply vending machine services to various District locations. Awardees furnish, install, stock and maintain campus drink and snack vending machines for Elementary, Middle, High, Technical Schools, and Administrative sites. Schools and District locations receiving vending machine services are paid fixed commissions on gross product sales. These commissions benefit and enrich the location's student-oriented programs.

Commission reports for Fiscal Years 2016-2017 and 2017-2018 were summarized for all locations, and the aggregate results per level are:

	FISCAL YEAR 2016-2017		FISCAL YEAR 2017-2018	
	SALES	COMMISSION	SALES	COMMISSION
ELEMENTARY	\$192,354	\$ 50,693	\$ 185,254	\$ 45,550
MIDDLE	\$231,502	\$ 76,204	\$ 259,901	\$ 83,094
HIGH SCHOOL	\$963,543	\$ 344,422	\$ 924,738	\$ 333,734

High School commissions have decreased; however, schools have been provided additional funding from the District to offset some of the loss of revenue. Pro-rated amounts were set based on the loss of revenue from previous sales. Schools received either \$16,000 or \$40,000 that was allocated to school's budgets. Commissions from the vending machine program are not the only source of income for the schools, and other factors may also come into play that impact sales volume including school-based fundraisers that are smart-snack compliant.

ITB 19-044H will replace two (2) contracts: ITB 15-051T Healthy Vending Program-Pre Approval of Vendors and ITB 58-090H Healthy Vending Services. ITB 15-051T is an SBBC contract that started on September 16, 2014, and will expire on December 31, 2018. ITB 58-090B is a Piggyback contract from The School District of Palm Beach County (SDPBC) and was approved at the Regular School Board Meeting of January 17, 2018, to add new vendors to the current pool of service providers. The current design of the bid followed previous bids' ITB formats which have performed in securing the provision of vending machine services to the District.

Procurement & Warehousing Services (PWS) received responses from eight (8) bidders who complied with all bid terms and specifications. The Supplier Diversity and Outreach Program was notified of this ITB's release in order to solicit minority vendors, and two (2) Small Minority/Women Business Enterprise vendors are recommended for award.

**Recommendation of \$500,000 or Less
19-044H – Healthy Vending Program
October 2, 2018 Board Agenda
Page 2**

Bidders offered their commissions based on location type. The commission rates were awarded in five (5) categories based on location type. The categories and their respective commission rates are as follows:

VENDOR	ITEM 1 Elementary	ITEM 2 Middle and Combined K-8	ITEM 3 High and Combined 6-12	ITEM 4 Technical Schools	ITEM 5 Administrative Sites
All Stop Vending, LLC	32 percent	32 percent	32 percent	38 percent	38 percent
Bettoli Trading Corp., d/b/a Bettoli Vending	5 percent	10 percent	20 percent	30 percent	20 percent
Compass Group USA, Inc., d/b/a Canteen Corporation	5 percent	5 percent	26 percent	26 percent	25 percent
Fresh Start Vending, Inc.	20 percent	25 percent	30 percent	30 percent	25 percent
Gilly Vending, Inc.	No Bid	23 percent	36 percent	23 percent	23 percent
RHO Consulting Corp.	15 percent	15 percent	15 percent	15 percent	15 percent
Qixi Group, LLC	2 percent	5 percent	10 percent	10 percent	10 percent
Right Choice Vending	19 percent	29 percent	31 percent	31 percent	19 percent

This award recommendation adds new vendors, offering additional opportunities and more variety to the District. Administration at the various locations may contact any of the Awardees in the pool to request or change vending services or products at any time during the contract, at no cost to the District. In an effort to better support schools in maximizing the income potential of their contracts, PWS has identified opportunities to expand communications (mass emails and regular updates) with schools and vendors, as frequently as necessary, to make them aware of opportunities for improvements or of new product availability that may be added to the currently approved product lists.

Vendors have the technology and the tools to provide sales performance information and to work with administrators to maximize the income potential of their contract. Additionally, principals have the authority to request sales reports and are encouraged to communicate with vendors to assist in appropriate decision – making for stocking the best-selling items, therefore increasing commissions.

Through this ITB, healthy snacks are available in vending machines located in student areas throughout the District. Items available to the students meet the USDA’s Smart Snacks in School guidelines. These snacks contain no more than two hundred (200) calories with limited amounts of sodium, fat, and sugar. Food & Nutrition Services reviews the nutritional profiles for these items and approve those which meet the guidelines. The USDA Smart Snacks in School guidelines remain unchanged since their inception in 2014. USDA Federal Guidelines can be viewed on the USDA Smart Snacks webpage at <https://www.fns.usda.gov/school-meals/tools-schools-focusing-smart-snacks>. Additional information can be viewed on the Florida Department of Agriculture and Consumer Services <http://www.freshfromflorida.com/Divisions-Offices/Food-Nutrition-and-Wellness/National-School-Lunch-Program/Smart-Snacks>. The lists of items approved at Broward Schools are available on the Food & Nutrition Services website. New items will be added as vendors submit more up-to-date product offerings.

Recommendation of \$500,000 or Less
19-044H – Healthy Vending Program
October 2, 2018 Board Agenda
Page 3

PWS benchmarked the current contract with the SDPBC. For the vendors servicing the largest number of high schools, and that are common to both contracts, commissions offered to The School Board of Broward County, Florida (SBBC), are more favorable.

	Compass Group USA/Canteen		Gilly Vending	
	SBBC	Palm Beach	SBBC	Palm Beach
Elementary Schools:	5 percent	10 percent	No Bid	No Bid
Middle Schools:	5 percent	10 percent	23 percent	23 percent
High Schools:	26 percent	10 percent	36 percent	33 percent
Centers/Technical Schools:	26 percent	Not Available	23 percent	Not Available
Administrative Sites:	10 percent	10 percent	23 percent	25 percent