

MEETING DATE: November 14, 2007

AGENDA ITEM: Discussion of Options Regarding the Parks, Recreation and Community Services (PRCS) Department's Beverage Vending Machine Program, Including: 1) Rejection of the Vendtech Company, Inc. Bid for Vending Machine Services and Discontinuance of the Program; 2) Approval of an Agreement with Vendtech Company, Inc. for Vending Machine Services; and 3) Other Alternatives for Continuance of the Program.

ATTACHMENTS

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PRCS BEVERAGE VENDING MACHINE PROGRAM MILESTONES

DATE	MILESTONE
1999 - 2000	Initial Beverage Vending Machine Program Discussions
August 2001	Five Year Agreement with Coca-Cola Begins
July 2006	Five Year Agreement with Coca-Cola Ends
August 2006	Coca-Cola Contact Amended to Include "Healthier Beverage Choices Only" & Extend for One Year
December 2006	Parks and Recreation Commission Discusses Beverage Vending Machine Program At Commission's Request, Ron Hacker from the CCUSD Presents Information to the Commission Regarding the District's Vending Machine Program
January 2007	"Healthier Beverage Choices Only" Fully Implemented
April 2007	RFP for Beverage Vending Machine Services Published
May 2007	Vendtech Company is Sole Bidder
July 2007	Coca-Cola Agreement Expired
August 2007	Thirteen (13) Vending Machines Remain Parks and Recreation Commission Takes Action to Recommend that City Council Reject the Vendtech Bid and Discontinue the PRCS Beverage Vending Machine Program
September 2007	Parks and Recreation Commission Takes Action that its August 2007 Recommendation to Council that City Council Reject the Vendtech Bid and Discontinue the PRCS Beverage Vending Machine Program Stands

Attachment 2

**EXCERPT OF THE MINUTES OF THE
REGULAR MEETING OF THE
PARKS AND RECREATION COMMISSION
CITY OF CULVER CITY, CALIFORNIA**

August 7, 2007
7:05 P.M.

Call to Order

The meeting of the Parks & Recreation Commission was called to order By Vice Chair Shapiro at 7:05 P.M.

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Roll Call

Members Present: Vice Chair Anita Shapiro
Commissioner Vicki Daly Redholtz
Commissioner Charles A. Deen
Commissioner Jeanette James

Members Absent: Chair Jeffery Cooper (excused)

Staff Present: PR&CS - Bill LaPointe
PR&CS - Patti Mooney
City Attorney - Heather Iker
City Attorney - Mr. Miranda

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Item A-4

Discussion and Recommendation to City Council Regarding the Parks, Recreation and Community Services (PRCS) Department's Beverage Vending Machine Program.

Recommendation to Council to reject the bid and discontinue the program.

M/S; Deen/Shapiro. Ayes: All

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**EXCERPT OF THE MINUTES OF THE
REGULAR MEETING OF THE
PARKS AND RECREATION COMMISSION
CITY OF CULVER CITY, CALIFORNIA**

September 6, 2007
7:04 P.M.

Call to Order

The meeting of the Parks & Recreation Commission was called to order by Chair Cooper at 7:04 P.M.

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Roll Call

Members Present: Chair Jeffery Cooper
Vice Chair Anita Shapiro
Commissioner Vicki Daly Redholtz
Commissioner Charles A. Deen

Members Absent: Commissioner Jeanette James (excused)

Staff Present: PR&CS – Pam Robinson, Recreation Youth/Teens & VMC Manager
PR&CS - Patti Mooney, PR&CS Senior Management Analyst
City Attorney - Heather Iker

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Item A-3

**Further Discussion of the Parks, Recreation and Community Services (PRCS)
Department's Beverage Vending Machine Program and Reconsideration of the
Commission's August 7, 2007 Recommendation to the City Council.**

Chair Cooper began the discussion by saying that although he was not present for the vote on August 7, 2007, he would have voted with his fellow Commissioners to reject the Vendtech bid and discontinue the PRCS Beverage Vending Machine Program. He said he did not agree with this item coming back to the Commission. He stated that he would like to send the message that the Commission stood by its earlier decision, as long as the other Commissioners felt the same way. Commissioners Deen and Daly Redholtz concurred.

PRCS Senior Management Analyst Patricia Mooney explained briefly to the Commission why the item had been brought back before them.

The following motion was made:

It is the wish of the Parks and Recreation Commission that the Commission's prior action taken at its August 7, 2007 meeting stand. To reiterate, the action taken on August 7th was that: The Parks and Recreation Commission recommends that the City Council reject the Vendtech bid and discontinue the PRCS Beverage Vending Machine Program.

M/S; Cooper/Shapiro. Ayes: All

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Attachment 4

Fiscal Year 2006-07 Beverage Vending Machine Program Revenue & Expense Report

July 2006 through December 2006					
	Number of Machines Reporting Revenue	Revenue	Av cost of electricity per kWh	Av cost to operate vending machine	Revenue minus cost of electricity
Blanco	2	\$ 578.14	\$ 0.18	\$ 583.20	(\$5.06)
Culver City Park	3	\$ 839.79	\$ 0.17	\$ 826.20	\$13.59
Culver West Alex	2	\$ 1,191.67	\$ 0.19	\$ 615.60	\$576.07
El Marino	3	\$ 925.56	\$ 0.18	\$ 874.80	\$50.76
Fox Hills	2	\$ 1,003.84	\$ 0.19	\$ 615.60	\$388.24
Lindberg	2	\$ 911.72	\$ 0.32	\$ 1,036.80	(\$125.08)
Paddle Tennis Court ¹	1	\$ 59.07	\$ 0.15	\$ 243.00	(\$183.93)
SK Park ²	2	\$ 284.89	\$ 0.18	\$ 583.20	(\$298.31)
Tellefson	2	\$ 40.00	\$ 0.20	\$ 648.00	(\$608.00)
Vets Park - Pool	1	\$ 318.99	\$ 0.14	\$ 226.80	\$92.19
Vets Park – Facilities ³	4	\$ 1,401.15	\$ 0.15	\$ 972.00	\$429.15
July-Dec Summary	24	\$ 7,554.82	\$ 0.19	\$ 7,225.20	\$329.62

January 2007 through June 2007					
	Number of Machines Reporting Revenue	Revenue	Av cost of electricity per kWh	Av cost to operate vending machine	Revenue minus cost of electricity
Blanco	0	n/a	n/a	n/a	n/a
Culver City Park ⁴	2	\$ 226.98	\$ 0.13	\$ 280.80	(\$53.82)
Culver West Alex	2	\$ 704.77	\$ 0.16	\$ 518.40	\$186.37
El Marino	2	\$ 576.55	\$ 0.16	\$ 518.40	\$58.15
Fox Hills	0	n/a	n/a	n/a	n/a
Lindberg	2	\$ 725.55	\$ 0.50	\$ 1,620.00	(\$894.45)
Paddle Tennis Court ¹	0	n/a	n/a	n/a	n/a
SK Park ²	1	\$ 22.62	\$ 0.16	\$ 259.20	(\$236.58)
Tellefson	1	\$ 118.83	\$ 0.19	\$ 307.80	(\$188.97)
Vets Park - Pool	1	\$ 247.36	\$ 0.11	\$ 178.20	\$69.16
Vets Park – Facilities ³	3	\$ 942.41	\$ 0.12	\$ 583.20	\$359.21
Jan-June Summary	12	\$ 3,565.07	\$ 0.19	\$ 4,266.00	(\$700.93)

1. Assumes a median rate for electricity usage
2. Assumes the same rate as "Vet's Park – Facilities" for electricity usage
3. Includes Teen Center, Vets Building and Vets Park Picnic Area
4. One machine was in operation for only two months.

Summary of Survey Responses Regarding Beverage Vending Machine Programs from Representatives of Other California Cities

Survey Questions

Does your City have beverage vending machines in parks and recreation facilities? If not, please respond to this email with a "No."

If Yes:

1. How many beverage vending machines are in outdoor locations and how many are in indoor locations?
2. Do you offer a full range of beverage choices including carbonated drinks sweetened with sugar or artificially, juice, sports drinks & water?
3. Does your City receive revenue from the sale of the beverages?
4. Do you track electricity costs to make sure that the operating costs do not exceed the revenue?
5. List the top problems that you have with the vending machines, if any.

Cities Responding "No"

1. **Atascadero** – Comment: No, the City of Atascadero has recently removed them. We found some machines were more energy efficient than others. Overall, the electrical costs made them expendable. In addition, the beverage companies were less interested making an attractive proposal in our market (City parks & facilities), once we reduced the number of facilities where we allowed them, required more healthy choices.
2. **Corte Madera** – Comment: Vending machines were in the Recreation Center only, but were removed because the vendor wanted to reduce the amount of revenue, objected to adding water and sugar-free products. The floor in front of the machines was constantly sticky, and ants were a problem as well. We have not replaced the machines, and no one has complained.
3. **Costa Mesa** – Comment: Too many problems.
4. **Fountain Valley**
5. **Isla Vista**
6. **Mountain View**
7. **Selma**

Cities Responding "Yes"

	Number of Outdoor Machines	Number of Indoor Machines	Total	Full Range of Beverages	Revenue to City	Track Electricity Costs	Top Problems
1. Burlingame	1	2	3	Yes	Yes	No	Vandalism, Service Delays
2. El Dorado Hills	6	4	10	Yes	Yes	No	Restocking, Change Mechanism
3. Garden Grove	most	some	?	Yes	Yes	No - estimated	Low sales, Vandalism
4. Manhattan Beach	6	1	7	Yes	Yes	No	Empty Machines, Vandalism
5. Malibu	2	0	2	Yes	Yes	Yes	None related to machines.
6. Mill Valley	0	1	1	Yes	Yes	No	Change Mechanism, Teens Gathering
7. Milpitas	0	8	8	Yes	Yes	No	Jammed Machines, Restocking
8. Monterey	0	all	?	Yes	Yes	No	Product Not Dispensed
9. Pico Rivera	?	?	15	Yes	Yes	No	Change Mechanism, Restocking
10. S. Pasadena	1	0	1	Yes	Yes	No	Restocking
11. Sunrise R&P Dist.	2	2	4	Yes	Yes	No	Change Mechanism, Restocking