

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

October 26, 2021

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Revenue Agreement with First Class Vending, Inc. for Food and Beverage Vending Machine Services

RECOMMENDATION(S)

Approve **Revenue Agreement No. 21-786** with First Class Vending, Inc., for food and beverage vending machine services, with a commission of 37% of monthly gross receipts, less any applicable sales tax and California redemption value, and a one-time \$40,000 signing bonus, for the period of January 1, 2022 through December 31, 2026.
(Presenter: William L. Gilbert, Director, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of the Revenue Agreement with First Class Vending, Inc. (First Class) will not result in the use of Discretionary General Funding (Net County Cost). Arrowhead Regional Medical Center (ARMC) will receive a commission of 37% of monthly gross receipts, less any applicable sales tax and California redemption value and a signing bonus of \$40,000 for the duration of the agreement. Sufficient revenue is included in the ARMC 2021-22 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The recommended revenue agreement with First Class would support fiscally-responsible and business-like operations at ARMC by providing revenue as well as ongoing monthly commission over the term of the agreement. The agreement would allow ARMC to offer healthy snacks as well as hot and cold beverages to patients, visitors, and staff. These vending services are available around the clock and provide an option for food and beverages when the ARMC Café is closed for the night, as well as providing additional options while the Café is open.

First Class is a family-owned and operated business with 27 years of industry experience. It is headquartered in Southern California and a woman-owned certified business.

The recommended agreement with First Class includes installation of vending equipment; maintenance of the equipment; and stocking and restocking in accordance with all sanitation and health standards. First Class is committed to providing high quality, fresh food and beverages with at least 50% of items being healthy, low sugar, or low fat alternatives to provide for the health and wellness of patients, visitors, and staff.

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The agreement with First Class is based on the County standard contract terms with the following non-standard term negotiated by the parties:

This is an exclusive agreement with First Class as it relates to the provision of mechanical cold food, snacks, and hot and cold beverage vending machine services at the campus of ARMC.

- The standard County contract permits the County to contract with other vendors for the same service.
- Potential Impact: The County will be unable to contract with other vendors to provide vending machine services at ARMC during the term of the agreement. Doing so may result in a breach of the agreement.

ARMC recommends approval of this Agreement, including the non-standard term, as it will allow ARMC to provide vending services in a fiscally-responsible and business-like manner.

PROCUREMENT

On April 19, 2021, Request for Proposal (RFP) ARMC121-ARMC-4144 for food and beverage vending machine services was released through San Bernardino County's Electronic Procurement Network. ARMC received proposals from the following companies:

Proposer	Location	Monthly Commission
Compass Group USA, Inc. (DBA Canteen)	Charlotte, NC	30%
First Class Vending, Inc.	Bell Gardens, CA	37%

Evaluation of the proposals was completed by a committee comprised of representatives from ARMC Nutrition Services Department. Proposals were evaluated based qualifications and experience, financial and technical review, and references. The evaluation committee recommended that First Class be awarded a contract as it best meets the needs of the County for food and beverage vending machine services at ARMC.

On August 20, 2021, the other proposer was notified in writing that they were not the recommended proposer for contract award and no protest was received.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on September 8, 2021; Purchasing Department (Ariel Gill, Buyer III, 387-2070) on October 1, 2021; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on September 29, 2021; Finance (Yael Verduzco, Administrative Analyst III, 387-5285) on October 7, 2021; and Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on October 11, 2021.

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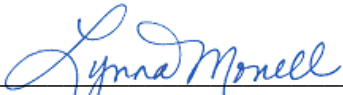
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Col. Paul Cook (Ret.)

Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: October 26, 2021



cc: ARMC - Gilbert w/agree
Contractor - C/O ARMC w/agree
File - w/agree
CCM 10/29/2021