



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Councilmember Ken Yeager

SUBJECT: SEE BELOW

DATE: June 12, 2006

APPROVED:

DATE:

SUBJECT: Proposed specifications for the citywide vending machines Request for Qualifications (RFQ).

RECOMMENDATION:

Approve the staff's recommendation to issue a citywide vending machines solicitation that will include at least 50% healthy food and drink choices for both current and future vending machines located throughout the city, with the exception of vending machines located in City Libraries which shall contain 100% healthy food and drink choices.

Further direct staff to include in the solicitation the specification that vending machines located in areas predominantly frequented by children, such as community centers, include primarily healthy food and drink choices.

In addition, direct the Director of Finance to report annually to the City Council on the status of the City's vending machine program, with the aim of expanding the healthy food and drink choices to greater than 50% to further encourage healthy eating habits.

DISCUSSION:

The growing problem of obesity, particularly childhood obesity, makes it imperative that the city take a policy stand on this issue. Most recent data shows that 52% of adults in Santa Clara County and 25% of children in Silicon Valley are overweight or obese. Countless health problems accompany this obesity and unhealthy diets and inactivity can reduce the quality of life for individuals.

To our knowledge, San Jose will be the first city nationwide to offer its residents, employees and visitors 50% plus healthy food and drink choices on a city-wide level.

With the acceptance of the proposed nutrition specifications, the city will be providing its residents with more nutritional options to promote healthy behavior aimed at preventing obesity, which contributes to diseases such as high blood pressure, heart disease, and diabetes.

Staff may consider including a requirement for a labeling program in the solicitation. Research shows that labeling programs, that assist customers with healthy food and beverage selections by designating healthy vending machines choices, such as “Heart Healthy” or “5 a Day,” increase sales of those items (Kille, 2003).

Current research on healthy vending machine price strategies shows that healthy food and drink choices that are offered at a reduced price are associated with significant increase in healthy food and drink sales. Price reductions of 10%, 25%, and 50% on low-fat snacks were associated with increases in low-fat snack sales of 9%, 39% and 93% respectively (French et al., 2001). Staff may also want to take this into account in drafting the solicitation. In addition, sales of healthy food and drink options may also increase if they are easy to choose based on their placement in the most highly visible (eye-level) position in the machines.

ANALYSIS:

By providing healthy vending machine beverages and snack foods, the City creates a healthier environment for both members of the public and its employees.

As of the official start date of the new contract, the proposed nutrition standards for vending machine beverages and snacks should adhere to the below criteria, as specified in the memorandum for healthy food and drink options for city library vending machines. (These standards are based on research by the National Consensus Panel of School Food Nutrition of the California Center for Public Health Advocacy.)

1. Beverages: With the exception of City libraries, which will contain 100% healthy food and drink choices, beverages offered in each current and future vending machine of the City of San Jose will contain at least 50% of a combination of the following:
 - a. Water (with no additives)
 - b. 100% fruit juices with no added sugars, artificial flavors or colors (limited to a maximum of 10 ounces per container)
 - c. Dairy milk, non-fat, 1% and 2% only (no flavored milks)
 - d. Plant derived (i.e. rice, almond, soy, etc.) milks (no flavored milks)
 - e. Artificially-sweetened, calorie-reduced beverages that do not exceed 50 calories per 12-ounce container (teas, electrolyte replacements)
 - f. Other non-caloric beverages, such as coffee, tea and diet sodas

2. Snacks/foods: With the exception of City libraries, which will contain 100% healthy food and drink choices, each current and future vending machine of the City of San Jose will contain at least 50% of all foods and snacks that will meet the following criteria:
 - a. Not more than 35% calories from fat with the exception of nuts and seeds; snack mixes and other foods of which nuts are a part must meet the 35% standard
 - b. Not more than 10% calories from saturated fat

- c. Does not contain trans fats added during processing (hydrogenated oils and partially hydrogenated oils)
- d. Not more than 35% total weight from sugar and caloric sweeteners with the exception of fruits and vegetables that have not been processed with added sweeteners and fats
- e. Not more than 360 mg of sodium per serving
- f. Contain at least 2 grams of dietary fiber per serving

ENFORCEMENT

Staff is further directed to include in the solicitation a statement that all vending machines must comply with the designated percentage and nutritional guidelines mentioned above. Potential vendors should be advised that those machines that do not comply will be removed from service.