COUNCIL AGENDA: 10-1-13
ITEM: 5.1

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Toni J. Taber, CMC
Acting City Clerk

SUBJECT: **SEE BELOW**

DATE: 09-19-13

SUBJECT: VENDING MACHINE GUIDELINES

RECOMMENDATION

As recommended by the Neighborhood Services and Education Committee on August 26, 2013 and outlined in the attached memo previously submitted to the Neighborhood Services and Education Committee, approve the Department of Parks, Recreation and Neighborhood Services change to the City's vending machine guidelines at City of San José community centers to 75% healthy food and drink options.

10-1-13

NSE AGENDA: 09-12-13
ITEM: d(4)

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: NEIGHBORHOOD SERVICES AND EDUCATION COMMITTEE

FROM: Julie Edmonds-Mares

SUBJECT: **VENDING MACHINE GUIDELINES**

DATE: 08-26-13

Approved

Date 9/3/13

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Approve the Department of Parks, Recreation and Neighborhood Services (PRNS) change to the City's vending machine guidelines at City of San José community centers to 75% healthy food and drink options.

OUTCOME

Community center vending machines will enhance healthier eating choices by making available 75% healthy food and drink options.

BACKGROUND

In March 2006, the City Council approved the guidelines requiring 50% of available products in vending machines to be "healthy choices." This action supports the City's Obesity Prevention Initiative efforts of combating childhood obesity and encouraging healthier eating habits.

ANALYSIS

Currently, all City vending machines consist of at least 50% healthy choices. At the Neighborhood Services and Education (NSE) Committee meeting on April 4, 2013, the Committee directed PRNS staff to review the citywide vending machine contract to explore healthier offerings in City vending machines. To meet this direction, PRNS conducted key stakeholder meetings to discuss youth and staff perspectives on healthy choice options and reviewed the Kaiser Permanente Healthy Picks program that was piloted at 22 sites throughout California, including San Jose.

STAKEHOLDER MEETINGS

On June 19, 2013, a youth stakeholder meeting was attended by 14 teens from the Mayfair Teen Center. On June 20, 2013, a City stakeholder meeting was attended by 13 department representatives from PRNS, Human Resources, Police, Housing, Office of Economic Development, Airport, and Environmental Services, as well as representatives from the concessionaire and the American Beverage Association. Listed below are key findings from the two focus groups.

Mayfair Teen Center Focus Group Findings	City Staff Focus Group Findings
• Youth typically purchase food and beverages from vending machines to satisfy immediate hunger or cravings. • Youth are open to vending machine changes. • Youth will choose from the menu of available options; however, if snack options of choice are available from alternative sources, youth will go with those options (e.g. via street vendor or corner market).	• Staff typically purchase food and beverages from vending machines to satisfy immediate hunger or cravings. • Staff agreed that vending machine changes would not likely influence significant change in eating. • Staff agreed that additional research is needed as a means of defining appropriate health standards such as the County of Santa Clara Vending Machine guidelines (Attachment B). • Multiple factors including genetically modified organisms (GMO) and environmental sustainability issues, such as packaging materials, may need to be considered in defining a healthy standard.

Feedback from the stakeholder meetings puts into question the effectiveness of setting a 100% healthy options guideline as a means for materially altering eating consumption habits and behavior. Based on this feedback, it appears that for whatever guidelines are adopted, a strong public health awareness campaign is needed to affect real changes in eating behaviors. For this reason, the 50% guideline is still in effect at other adult-based City facilities.

KAISER PERMANENTE CASE STUDY REVIEW

In addition to the focus group exercises, staff reviewed the outcomes of the Kaiser Permanente (KP) Healthy Picks program (program summary included in Attachment A), which was launched with the objective of improving the health of KP members and employees by offering nutritional options, educating participants about healthy eating, empowering individuals to make better food choices and promoting food sustainability. As part of these efforts, KP launched a six-month pilot requiring that selected vending machines at 22 sites increase from 50% to 100% available healthy and sustainable food and beverage options. In determining health content and sustainability, KP used the following factors:

Health Content	Sustainability
• Percentage of fat • Percentage of sugar • Percentage of sodium • Calories per serving • Preservatives • Percent whole grain/fiber	• Genetically modified organism • Food sustainability • Environmental factors • Packaging materials • Vending machine efficiency

As part of KP's implementation of the pilot, KP staff was notified of the vending machine changes and was asked to assess the impact of the pilot program. Upon completion of the pilot program, KP changed its guidelines to 75% healthy options rather than 100% based on the following:

- Increased backlash from members and employees
- Overwhelming demand for chocolate
- Need for balance of items while ensuring profit for vending machine vendor
- Existing need for public education on healthy eating habits
- The need to allow options for individuals to make better choices

The KP Healthy Picks program findings and its departure from the 100% healthy guideline demonstrates that stronger guidelines do not encourage behavioral changes in eating. KP found that providing opportunities for individuals to make healthy choices rather than limit available options is a more effective approach to encouraging healthy consumption behaviors while reducing KP's negative image as the "food patrollers." As identified by the City focus groups, KP's pilot results indicated a strong need for public education about the benefits of healthy eating. As a result, KP continues to advance public education regarding healthy and sustainable eating options.

Updating the vending machine guidelines at the City's community centers to 75% healthy food and drink options is consistent with KP's findings and current standards. PRNS recognizes that there are a variety of standards that are currently in place within various organizations such as the County of Santa Clara, KP, the State of California, and other local government agencies; however, it is difficult to fully evaluate these standards without a dietician on staff to determine the best content for vending machines in the context of the City's particular needs.

In the context of its current efforts, PRNS is recommending this change beginning with its community centers to complement its health and wellness efforts which include:

- Participating in the National "Let's Move Campaign"
- Leading the City's Anti Obesity Initiative
- Implementing PRNS Fitness and Nutrition guidelines for youth programming
- Developing Fit Camp summer camp program
- Incorporating healthy eating education into youth and teen programs
- Providing Sugar Savvy Training for PRNS staff

- Adopting the MyPlate and Rethink your Drink public health outreach in summer camp and youth programming

PRNS would implement this change in collaboration with the Purchasing Department and their vendor process.

COORDINATION

This memo has been coordinated with the City Manager's Budget Office and the Finance Department.

COST IMPLICATIONS

If the updated vending machine guidelines are approved for the City's community centers, it is anticipated that the 75% healthy choice options may reduce revenue and the commissions paid to the City as a percentage of sales (resulting in an estimated $2,200 reduction in overall revenues based on the percentage of City vending machines that are located in community centers).

CEQA

Not a project, File No. PP10-069, City Organizational and Administrative Activities, Staff Reports.

/s/
JULIE EDMONDS-MARES
Director of Parks, Recreation and
Neighborhood Services

For questions please contact Suzanne Wolf, Deputy Director, at 408-535-3576.

Attachment A: Kaiser Permanente Case Study
Attachment B: County of Santa Clara Nutrition Standards

CASE STUDY ▶ Kaiser Permanente | Delicious, Healthy, and Energy Efficient Vending – Not an Oxymoron

Benefits

- Environmental and Human Health Impact: 50 percent increased availability of healthy food in vending and 50 percent decrease in energy demand from vending.
- Business Impact: Healthy Picks vending increased sales by 6 percent. Energy efficiency upgrades reduced vending-related utilities by 50 percent.

The Problem

National Nutrition Services (NNS) has worked diligently to improve the taste, healthfulness, and environmental sustainability of Kaiser Permanente's food offering. From on-site farmer's markets to local, organic fruits in patient meals, NNS has used out-of-the-box strategies to deliver healthy, delicious food. Vending machines, and the afternoon craving busters they contain, are commonly a counterpoint to an organizational direction. However, in 2006 NNS saw the opportunity to work with existing vending suppliers Canteen and First Class Vending to see what ideas and innovations they had to improve the vending. At that point, Healthy Picks, a program to bring healthier food into vending, was initiated. In 2008 and 2009 Kaiser Permanente and our vending partners sought to take Healthy Picks in vending to another level including reducing the energy consumption of vending equipment.

The Team:

- Steve Griffith, Co-Chair, Healthy Picks Committee
- Elizabeth Bailey, Co-Chair, Healthy Picks Committee
- Food and Nutritional Services Managers/Directors
- Jan Sanders, Director, National Nutrition Services, Procurement & Supply
- Danny Sim, Sourcing Manager, Procurement & Supply
- Laurent Cauchi, Sourcing Director, Procurement & Supply

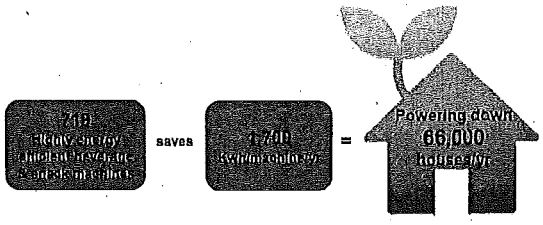
The Strategy Selected

- Bid for vending contract that would prioritize and enhance promotion of sustainably-produced and healthy foods.
- Increase vending revenue for Kaiser Permanente.
- Increase food variety and selection.
- Reduce energy demand of machines.

Implementation Process

- Engaged suppliers to develop the Healthy Picks program for vending as a way of enabling patrons to easily access and quickly identify healthier food options.
- Knowing Kaiser Permanente's vision, Canteen brought innovative ideas to the table at quarterly business reviews. Ideas included healthy and sustainable food as well as energy efficiency improvement mechanisms for vending machines.
- Kaiser Permanente took vending out to bid in 2009, with the goal of increasing revenue and minority business spend, availability of organics, and environmental innovation.

Canteen was selected as Kaiser Permanente's single vendor, meeting all business requirements. They helped Kaiser Permanente realize the following results:



Next Steps: Continue piloting the marketing of higher percentages of organic products. Determine which consumer markets to pilot sales of fresh fruit in vending machines. Increase education around healthy and organic vending.

Challenges and Lessons Learned

- Critical to have operations personnel, such as Food and Nutrition and Support Services, involved from an early stage in idea generation, decisions and pilot projects.
- Pilot project test for customer satisfaction and interest can increase stakeholder buy-in and alleviate fears about revenue losses.

Healthier Hospitals INITIATIVE

- No more than 35% calories from fat with the exception of items that contain 100% nuts or seeds; snack mixes that contain less than 100% nuts and seeds must meet the 35% of calories from fat requirement;
- No more than 10% calories from saturated fat;
- Zero *trans* fat;
- No 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;
- Food items must have no more than 360 milligrams (mg) of sodium per serving.

- For pre-package snack food items, it is recommended that items contain at least two (2) grams of dietary fiber per serving – this information can be found on the package's Nutrition Facts Label and that low sodium options (FDA definition of "low sodium" or be ≤ 140 mg per serving) also be made available.

When no County funds are used to purchase beverages and food:

- When food and beverages are provided by an outside agency and served at a County venue or when food/beverages are donated by an outside agency to a County-sponsored meeting, event, and/or celebration, it is the responsibility of the sponsoring County department to request and encourage that the outside agency offer healthier choices.
- When food/beverages are provided by County employees for departmental staff meetings, trainings, and/or celebrations, employees are encouraged to provide healthier options. The nutrition standards are not directed at individuals' meals/snacks that are purchased and/or brought from home.

1B Food and Beverage Vending Machine Standards

These standards apply to County leased or operated vending machines.

Beverage Standards:

- 100% of the beverages available in each County leased vending machine will be one or a combination of the following:
  - Water, including carbonated water (no added caloric sweeteners);
  - Non-sweetened coffee or tea (if condiments are provided, sugar and sugar substitutes may be provided);
  - Plain (no added flavor or sugar) nonfat or 1% low fat dairy milk;
  - Plant derived milk (e.g. soy, rice, and almond) with ≤ 130 calories per 8 ounce serving;
  - 100% fruit or vegetable juice (limited to a maximum of 8 ounce container);
  - Low-calorie beverages (including tea and/or diet soda) that do not exceed 40 calories per 8 ounce serving.

Food Standards:

- 100% of all snack foods in each County leased and operated vending machine will meet *all of the following* criteria:
  - Contents of package/container must be a single serving size *(Nutrition Facts Label indicates Servings per Container: 1)*;
  - No more than 35% calories from fat with the exception of packages that contain 100% nuts or seeds; snack mixes that contain less than 100% nuts and seeds must meet the 35% of calories from fat requirement;
  - No more than 10% calories from saturated fat;
  - Zero *trans* fat;
  - No 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;

Approved

- No more than 360 milligrams (mg) of sodium per package/container.

- At least 10% of all snack foods in each of the County leased and operated vending machines will contain at least two (2) grams of dietary fiber per serving – information found on the package Nutrition Facts Label.
- At least one snack food item in each of the County leased and operated vending machines will meet the FDA definition of "low sodium" or be ≤ 140 mg per serving.

1C Cafeterias and Café Standards

The guidelines are designed to encourage private vendors and County departments that operate the cafeterias in County operated facilities to provide healthier beverages and food choices to their customers.

Beverage Standards:

- Operators are recommended to reduce (or eliminate) the availability of sugar-sweetened beverages. At least 50% of the beverage options available must be made up of one or more of the following:
  - Water, including carbonated water (no added caloric sweeteners);
  - Non-sweetened coffee or tea (If condiments are provided, sugar and sugar substitutes may be provided);
  - Plain (no added flavor or sugar) nonfat or 1% low fat dairy milk;
  - Plant derived milk (e.g. soy, rice, and almond) with ≤ 130 calories per 8 ounce serving;
  - 100% fruit or vegetable juice (limited to a maximum of 8 ounce container);
  - Low-calorie beverages (including tea and/or diet soda) that do not exceed 40 calories per 8 ounce serving.

- Healthier beverages should be placed prominently and be as easy to see as the operator's other most popular beverages.

Food Standards:

- Operators are recommended to provide an assortment of healthier food choices, with lower amounts of fat, sugar, and sodium. To accomplish this operators are encouraged to:
  - Offer more fruits, vegetables, whole grains, and low fat and low calorie foods, including low fat dairy, lean protein sources and lower fat versions of condiments (e.g. dressings, mayonnaise, cream cheese, and/or sour cream dips);
  - Offer more minimally processed foods made or produced without added sugar and less sodium;
  - Prepare foods using healthy cooking techniques such as baking, roasting, broiling, grilling, poaching, steaming, or stir frying instead of pan frying or deep fat frying to minimize added fat to the food prepared;
  - Use foods that contain less than 0.5 grams of *trans* fat (this is considered to *trans* fat free);
  - Offer at least one vegetarian option on the menu;
  - Offer seasonal and local produce, when possible;
  - For foods that tend to be higher calorie, when served in typical food portions, make items available in smaller portions (e.g. mini muffins or cookies).

- Healthier food items should be placed prominently and be as easy to see as the operator's other most popular food items.
- At least 50% of pre-packaged snack foods sold in the cafeterias and cafés should meet the following criteria:
  - Contents of package/container must be a single serving size *(Nutrition Facts Label indicates Servings per Container: 1)*;

Approved

Neighborhood Services & Education Committee

Vending Machine Guidelines

September 12, 2013

Parks, Recreation, and Neighborhood Services

Recreation and Community Services Division

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Current Vending Machine Guidelines

- 50% Healthy Options
- Adopted by Council March 2006

Proposed amended Vending Machine Guidelines

- 75% Healthy Options for Community Centers

Stakeholder Meetings and Feedback

Mayfair Teen Center Focus Group Findings 14 Teen participants	City Staff Focus Group Findings 13 department representatives
•Youth typically purchase food and beverages from vending machines to satisfy immediate hunger or cravings. •Youth are open to vending machine changes. •Youth will choose from menu of available options, however if snack option of choice is available within reach, youth will go with option of choice (e.g.; street vendor or corner market).	•Vending machine changes would not influence change in eating or healthier habits. •Additional nutritional research is needed on defining healthy choices. •Multiple factors including genetically modified organisms (GMO) and environmental sustainability issues such as packaging materials may need to be considered in defining a healthy standard. •Staff typically purchase food and beverages at from vending machines to satisfy immediate hunger or cravings.

Findings:

- **Vending machine change would not likely alter consumption habits and behavior.**
- **A strong need for public health education and outreach.**

Kaiser Healthy Picks Program

6 month program 22 sites 100% Healthy Options

Findings:

- Increased backlash from members and employees;
- Need for balance of items;
- Allow options for individuals to make better choices;
- Stronger guidelines do not encourage eating behavioral changes;
- Strong need for public education and outreach about the benefits of healthy eating.

Result:

- **Kaiser amended guidelines to 75% Healthy options**

PRNS Next Steps

- 75% Healthy Options at City's Community Centers

- Continue current youth based efforts
  - Participating in the National "Lets Move Campaign" .
  - Leading the City's Anti Obesity Initiative.
  - Implementing PRNS Fitness and Nutrition guidelines.
  - Developing Fit Camp summer camp program.
  - Incorporating healthy eating education into youth and teen programs.
  - Providing Sugar Savvy Training for PRNS staff.
  - Adopting the MyPlate and Rethink your Drink public health outreach.

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View Summer Camp Video

Parks, Recreation, and Neighborhood Services
Recreation and Community Services Division

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