



Subject: Vending and Concession Healthy Options Status Update
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Department: Community Services
Date: November 19, 2019

In accordance with the Procedure By-law, any Member of Council may request that this Information Report be placed on an upcoming General Committee or Council meeting agenda for discussion.

Executive Summary

The purpose of this report is to provide Council with an update on the implementation of the new healthy options menu for recreation facility vending and concession operations.

- Council direction in 2018 provided for the issuance of the vending and concession Request for Proposals
- Vending and concessions are meeting the 55% healthy options requirement
- Plain bottled water has been removed from all vending machines
- Appearance of concessions supports the healthy options requirement
- Feedback shows community interest in the healthy food options but sales are down from previous year
- Education and marketing of the healthy foods options is a collaborative effort

Background

Staff submitted Report CMS18-003 Request for Proposals for Vending and Concession Operations to Council for consideration at the General Committee meeting on February 20, 2018. At its meeting on February 27, 2018, Council directed staff to increase the minimum healthy food and beverage options requirement in the RFP to a minimum of 55%, and further directed staff to report back on a number of items raised at the February 20, 2018 General Committee meeting.

Staff subsequently submitted Report CMS18-005 Request for Proposals for Vending and Concession Operations to Council for consideration at the General Committee

meeting on March 20, 2018. At its meeting on March 27, 2018, Council reviewed a number of items and recommendations from staff and provided direction on how to proceed with the RFP.

Staff submitted Report CMS19-006 Vending and Concession Healthy Options Status Report on March 19, 2019 to provide Council with a status update following implementation of the new program. Council further directed staff to submit another status report in the Fall of 2019.

Analysis

Council direction provided in 2018 for the issuance of the vending and concession Request for Proposals

Item Discussed	Council Direction
Inclusion of healthy options menu items in vending machines and concessions	Vending machines and concessions in recreation facilities must include a minimum of 55% healthy options.
Inclusion or removal of vending machines at recreation facilities	Vending machines to be included at all locations currently identified for the RFP.
Appearance of concessions	No change to current practice of requiring the concession operator to provide all marketing and promotion in a neat and professional manner.
Inclusion or removal of bottled water	Eliminate plain bottled water, but continue to allow the sale of flavoured and/or carbonated water. (Empty refillable bottles can be made available for sale.)
Education and marketing	Staff to work within existing resources to promote the inclusion of healthy choices by working with facility user groups and York Region Public Health.

An RFP was issued in accordance with the direction received from Council. One proponent submitted a proposal for the vending and concession contract with the Town.

The proposal, which was received from the existing operator, was accepted and a new agreement became effective as of September 1, 2018.

Vending and concessions are meeting the 55% healthy options requirement

Council directed that all vending machines and concessions in recreation facilities must include a minimum of 55% healthy options. Staff has worked in consultation with a Nutritionist from York Region Public Health (YRPH) to prepare a sample list of foods and beverages deemed to be healthy choices, and have confirmed that the Nutritionist will continue work with staff to review and approve other vendor-offered choices.

All vending machine content was converted to meet the minimum 55% requirement as of September 1, 2018.

Converting the menu of the concession operations was more complicated and took the operator a little longer. The menu conversion began in September but was not fully implemented at the 55% level until November. Since then, all vending and concession operations have been operating with a minimum of 55% healthy options, in accordance with the information provided by YRPH.

In addition, staff met with the concession operator and the Nutritionist from YRPH in early April 2019 to review and further refine the healthy options menu items offered.

Plain bottled water has been removed from all vending machines

Council directed that no plain bottled water is to be included in the vending machines. Effective September 1, 2018 all plain bottled water was removed. Subsequently, empty refillable water bottles have been included in the vending machines to help support the use of the water bottle refilling stations in the recreation centres.

Appearance of concessions supports the healthy options requirement

Council directed that staff make no change to current practice of requiring the concession operator to provide all marketing and promotion in a neat and professional manner.

As part of the implementation process, the vending operator prepared and installed updated menu boards in which the majority of items listed are healthier options. Additionally, wherever possible, healthy options have been positioned more prominently on the counters.

Healthier options have been placed in the most prominent (eye level) locations of the vending machines. No other appearance changes were required.

Feedback shows community interest in the healthy food options but sales are down from previous year

Real Food First feedback

Representatives from the Real Food First group have expressed concern that the marketing/promotion of the healthy options in the vending and concessions is not adequate. Specific concerns raised include:

- Although the menu boards have been changed to identify healthy options, the appearance of the boards are the same and therefore the new menu options may not be clear
- The healthy items on display do not significantly distinguishable from the less healthy items
- More promotion of the healthy items, such as pictures, posters, email communication, etc., is required to promote the healthy menu
- The labelling in the vending machines does not look professional

No further feedback has been received from this group, since the previous report in March, 2019.

Community feedback

- Concession customers continue to express curiosity as why healthy options are offered, but rarely purchase them.
- Most customers have stated that if the concession were to offer more meal items, they would prefer to see burgers, pizza, or chicken tenders, rather than salads or other healthy items
- Customers will inquire as to what the healthy options are, and although the vending operator will try to encourage people to try healthy items, most customers usually opt for the standard (less healthy) snack items
- When prompted to purchase healthy items, customers often identify that they have already eaten dinner at home or are planning to eat dinner after they leave
- Parents don't typically make food purchases for themselves, but often state that a snack from the concession is a treat or reward for their children
- Most parents who prefer to eat healthy, tend to bring food with them from home

Operator feedback - Concessions

- The operator has met with two different nutritionists for advice, conducted their own research, updated their menu boards, and routinely rotates product offerings to experiment with new product options for consumers
- Typically, customers are only looking for a small snack rather than a meal
- Most customers understand the societal pressure of increasing awareness/healthy lifestyle but they are really surprised a snack shop/convenience shop like this carries healthy food items
- Meals or larger snacks are more often asked for during tournaments, where more families present are from out of town, but the more popular items continue to be fries, hot dogs, and beef patties
- Rather than purchase food, customers bring their own healthy food and will ask the concession operator to microwave it for them to heat it up, which the operator does as a customer service gesture
- The operator continues to struggle with both the operational and financial impact of maintaining the strict menu criteria that includes lower demand, higher cost items with shorter shelf life.

The concession operator has identified the following best and worst selling products:

Top selling products

Roasted nuts
Veggie straws
Welch's fruit snacks
Low fat carrot muffins

Lowest selling products*

Any fresh product, such as
Salad
Keto bagels
Veggie dogs

*Although the concession operator has continued to improve inventory and purchasing practices, a significant of these items continue to be thrown out, creating an increase in waste.

Operator feedback - Vending

The vending operator is only on site to re-stock machines, and therefore has not had any customer feedback. The operator has identified the following best and worst selling products:

Top selling products

Welch's Fruit Snacks
Fig Bars
Veggie Chips

Lowest selling products

Made Good Granola Bars
Fruit Bars
Made Good Organic Chocolate Cookies

The vending operator continues to try new products on a regular basis, in an effort to try and identify more popular items. The operator also noted that consumers want to pay a consistent price for product regardless of the nutritional value, and therefore it is important not to raise the price of the healthy options. This is difficult to accomplish because the healthier items are significantly more expensive for the operator to purchase, or the packages contain significantly less product by volume.

Operator feedback - Sales comparison

The following table shows the decrease/increase in monthly sales comparing 2018/19 to 2017/18:

Month	Concessions % +/-	Vending % +/-
September	-3%	-32%
October	-15%	-34%
November	-21%	-42%
December	-26%	+6%
January	-2%	-18%
February	-11%	-3%
March	+2%	-52%
April	-4%	+11%
May	-11%	-4%
June	+9%	+14%
July	+6%	-34%
August	-2%	-44%
Monthly Average	-7%	-19%

Concessions and vending both appear to be showing an improvement in overall sales as time progresses. In the first five months of the new program, as reported in CMS19-006 concession sales were 13% lower and vending sales were 24% lower than the same period in the previous year. In the subsequent seven months concession sales were 2% lower and vending sales were 16% lower than the same period in the previous

year. Overall sales for the first full year of the program are lower by 7% for concessions and 19% for vending, but appear to be increasing over time, getting closer to the level they were at prior to implementation of the healthier menu.

Education and marketing of the healthy foods options is a collaborative effort

Council directed staff to work within existing resources to promote the inclusion of healthy choices by working with facility user groups and YRPH. As health and nutrition education falls within the mandate of YRPH, the Town does not have any specialized resources in this area, nor is the Community Services Department appropriately resourced to take on a public health education initiative.

Staff consulted with YRPH in the development of the criteria for the RFP and subsequently arranged for the vending and concession operator to work with the YRPH Nutritionist in developing the menu offerings.

The vending machines were updated with labelling to help better identify healthy choices and the concession operator is actively encouraging customers to try items from the healthy options menu.

Staff also notified recreation facility user groups of the change in menu and encouraged those user groups to communicate and promote the healthy options to their members.

In response to concerns raised by members of Council, staff, along with the President of Global Brand Food Services Inc. (the vending and concession operator) met with representatives of Real Food First in mid-February to discuss these concerns, and review the direction previously provided by Council.

At this meeting it was agreed that the Real Food First group would prepare draft marketing strategies for presentation to Global Brand Food Services, and that the two groups would work together to consider what strategies could be implemented. To date, the Real Food First group has not presented any further information to staff or to Global Brand Food Services.

Advisory Committee Review

Not applicable

Legal Considerations

There are no legal considerations

Financial Implications

There are no new financial considerations at this time

Communications Considerations

Staff in Community Services Department and Corporate Communications remain available to work in cooperation with representatives of the Real Food First group and the vending and concession operators to help promote the healthy menu options.

Link to Strategic Plan

The inclusion of healthy food and beverage options in the vending and concession RFP supports the Strategic Plan goal ***Supporting an Exceptional Quality of Life for All*** through its accomplishment in satisfying requirements in the following key objective within this goal statement:

Encouraging an Active and Healthy Lifestyle: through the offering of healthy food and beverage choices.

Alternative(s) to the Recommendation

Not applicable.

Conclusions

Staff will continue to work with the vending and concession operator to ensure healthy choices are available when purchasing food and beverages in Town recreation facilities.

The success of this program is dependent upon the ability of the vending and concession operator to sustain a viable business, enabling them to continue to offer healthy products to the public, and therefore should be supported by the Town to find a suitable balance between offering healthy choices and generating enough sales to maintain business profitability.

Attachments

None

Previous Reports

PRCS17-023 Healthy Kids Community Challenge: Healthy Food Options in Community Recreation Centres

CMS18-003 Request for Proposals for Vending and Concession Operations

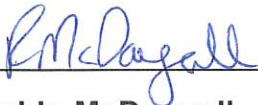
CMS18-005 Request for Proposals for Vending and Concession Operations

CMS 19-006 Vending and Concessions Healthy Options Status Report

Pre-submission Review


Agenda Management Team review on October 31, 2019

Departmental Approval



Robin McDougall
Director
Community Services

Approved for Agenda



Doug Nadorozny
Chief Administrative Officer