



LERROY D. BACA, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169



A Tradition of Service

November 30, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AGREEMENT WITH FIRST CLASS VENDING, INCORPORATED
FOR VENDING MACHINE SERVICES – INMATES ONLY
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Los Angeles County Sheriff's Department (Department) is seeking your Board's approval and execution of an Agreement with First Class Vending, Incorporated (First Class) to provide vending machine services for inmates that are being held throughout the Department's custody facilities.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair of the Board to sign the attached Agreement with First Class to provide vending machine services for inmates being held throughout the Department's custody facilities effective upon Board approval for a three-year term with an option to extend for two additional one-year periods, plus one additional six-month period in any increment.
2. Delegate authority to the Sheriff, or his designee, to: (1) execute applicable documents when the original contracting entity has merged, been purchased, or otherwise changed; (2) to modify the Agreement to include new or revised standard County of Los Angeles (County) contract provisions adopted by your Board as required from time to time, including all applicable documents; (3) to execute any of the extension options above, if it is in the best interest of the County; (4) to execute Change Orders and Amendments to the Agreement as set forth throughout the Agreement; and (5) to deploy additional technology-enhanced vending machines, if it is in the best interest of the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the Department to continue providing vending

machine services to inmates being held throughout the Department's custody facilities. The vending machines will be stocked with various snack items, cold beverages, ice cream products, hot beverages, and hot/cold food items, including pre-packaged over-the-counter medications. The Agreement will allow for the Department to add, change, and/or remove vending machines, custody facilities, and vending menu items. The Agreement will require a no-cost Proof of Concept (POC) for two technology-enhanced vending machines using bar code technology. This will allow the Department to determine the workability and feasibility of such vending machines in a custody environment. Should the POC be deemed successful, at the sole discretion of the Department, the Department may choose to deploy additional technology-enhanced vending machines, if it is in the best interest of the County.

Implementation of Strategic Plan Goals

The services provided under this Agreement support the County's Strategic Plan, Goal 1, Operational Effectiveness; and Goal 5, Public Safety. This Agreement will allow inmates to have access to the vending machines that generate revenue and, thereby, continue to support various programs and projects for the inmates.

FISCAL IMPACT/FINANCING

This is a revenue-generating Agreement. The Department will receive 38.6 percent, and Contractor will receive 61.4 percent of the gross proceeds (total of all monies collected from Contractor's vending machine sales under this Agreement minus applicable taxes as further described in the Agreement and minus the California Redemption Value, if applicable). Revenue generated will be deposited into the Inmate Welfare Fund (IWF), which is used for various educational and recreational programs and projects that benefit the inmates.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Sheriff is authorized under Penal Code 4025 to operate a store in the jail facilities to allow inmates to purchase goods, supplies, and certain personal items. Pursuant to this provision, the products sold in the vending machines under this Agreement are for inmates only.

Currently there is an active Agreement Number 74376 with Canteen Vending Services for debit card vending machine services that was adopted by your Board on February 18, 2003. We are currently in the six-month extension, approved by your Board on August 10, 2010, which will expire on February 17, 2011. Approval of this Agreement will ensure the Department has uninterrupted vending machine services for inmates and allow for the necessary transition period.

First Class is in compliance with all Board and Chief Executive Office requirements, including Jury Service Program, Safely Surrendered Baby Law, and Defaulted Property Tax Reduction Program.

County Counsel has reviewed and approved this Agreement as to form.

CONTRACTING PROCESS

On July 24, 2009, the Department released a Request For Proposals (RFP) to solicit for an agreement with a vendor to provide debit card vending machine services to inmates only. The Department sent notification of the RFP to 16 vendors through the United States mail and/or by

e-mail. The RFP solicitation was also posted on the County and Department websites. The Department held a Mandatory Proposer's Conference and a Mandatory Custody Facility Site Visit, at which five vendors attended.

The Department received three proposals. An evaluation committee comprised of individuals from the Department and Orange County was convened to evaluate the proposals following the Proposal Evaluation Methodology Policy, approved by your Board. It was determined that First Class' proposal received the highest score. First Class was the selected vendor for this Agreement, as well as the proposer with the highest percentage of revenue to the County.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will ensure the uninterrupted vending machine services for inmates who are being held in the Department's custody facilities. Additionally, it will allow for the continued growth of its IWF, which is the principal source of funding for educational and other programs to benefit the inmates.

CONCLUSION

Upon approval by your Board, please return two adopted copies of this Board letter and two original executed copies of the Agreement to the Department's Contracts Unit.

Sincerely,



LEROY D. BACA
Sheriff

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