Healthier Vending Machine Initiatives in State Facilities

Introduction

Healthier vending machine initiatives *increase* consumer choice by *expanding* access to healthier snack and drink options for consumers. When they are implemented at government facilities, they are designed to benefit state employees and residents who visit state agency buildings while supporting vendors' business interests. The purpose of this document is to describe actions taken, key considerations and lessons learned by state health departments already implementing healthy vending machine initiatives in buildings owned or operated by the state. In addition, it provides examples and links to resources, tools and guidance related to healthy vending machine initiatives. This document is for state public health practitioners and others seeking to increase healthy options in state agency vending machines.

Authority

As with any change effort, it is necessary to identify the office or person with the authority to establish and implement standards and procedures. In some cases, there may be multiple levers of power involved and health practitioners must choose where to focus their efforts. In the case of vending machines in state facilities, the authority and key partners are largely determined by a federal law called the Randolph-Sheppard Act of 1936.

Randolph-Sheppard Vending Facility Program

In brief, the Randolph-Sheppard Act created a Vending Facility Program which provides persons who are blind with gainful employment by ensuring them a priority – first right of refusal – in the operation of vending facilities, including cafeterias, snack bars and vending machines, on federal property. The program has broadened from federal locations to also include state, county and municipal facilities. The Randolph-Sheppard Vending Facility Program is administered by the Federal Department of Education (<u>http://www2.ed.gov/programs/rsarsp/index.html</u>). For detailed information on the Randolph-Sheppard Act, visit the National Association of Blind Merchants website (<u>http://www.blindmerchants.org/</u>).

Key Partners

The Randolph-Sheppard Act identifies the State Licensing Agency as the office which has the authority to contract with blind vendors in state facilities. While not all state building vendors are blind individuals, many are, precisely because of the opportunity created by the Randolph-Sheppard Act. The State Licensing Agency and blind vendors are among the key partners needed for a successful initiative.

State Licensing Agencies

Under the Randolph-Sheppard Vending Facility Program, State Licensing Agencies (SLAs) have the authority to recruit, train and license people who are blind or visually impaired as operators of vending businesses in government facilities. The SLA can establish standards and procedures to regulate the content of vending machines. SLAs are most often housed within a state's Division of Rehabilitative Services, though organizational structures vary by state. Vending licenses are usually administered through the SLA's "Business Enterprise Program." In many cases, the director of the Business Enterprise Program will be the most important partner for a healthy vending machine initiative.



Blind Vendors

Vending machines in state buildings are typically – though not always – operated by blind or visually impaired vendors licensed through the SLA. These individuals make their living in this line of business. It's their livelihood. Blind vendors must be engaged early and often in any changes that affect their business. They are, after all, the ones whose practices are the focus of the initiative. To channel their collective voice, blind vendors often form committees that work directly with the SLA or its Business Enterprise Program.

State Employees

The customer is also a key partner. A state-level healthy vending machine initiative is designed to *increase* access to healthy snack options for state employees, visitors, and residents. The demand and desire for healthier options can help drive the change in vending machine products. They may also need assurance that such changes may increase their choices related to healthier options. State employees are also the primary audience for promotional efforts which accompany a healthy vending initiative.

Important Actions

Several state health departments have implemented or are in the process of implementing healthy vending machine initiatives for their state facilities. Their experiences – as shared in networking calls, webinars and reports – reveal some common tactics for success. While not comprehensive, this list captures important actions taken by state health department staff to launch healthy vending machine initiatives.

- Identify your SLA representative who directs the Business Enterprise Program and handles blind vendor relations and vendor contracts. The National Council of State Agencies for the Blind website (<u>http://www.ncsab.org/ncsab_directory.htm</u>) provides a directory of all SLAs. Many of the listings include links to states' blind services programs.
- 2. Meet with the SLA representative to discuss the goal of increasing healthy vending options for state employees and visitors to state facilities. The initial meeting is not to set a target for the percentage of healthy snacks in a machine or to suggest a mandate. Rather, it's to express a vision for change and begin a working relationship whose goal is to develop a vending program that's healthy for employees and healthy for vendors' bottom line.
- 3. Secure the full buy-in of the SLA representative. This partnership may be facilitated by meetings with health department leadership and by the health department staff's readiness to provide the legwork, data, materials and training to make it successful.
- 4. Select the nutritional standard for healthier snack and beverage options from the available models. Explain the selection clearly to stakeholders. See the resources list below for links to models for healthy vending standards.
- 5. **Collaborate with the SLA representative** to prepare information to present to SLA-licensed vendors. Empower the SLA representative to champion the change. Prepare information on key components such as consumer demands for healthy options, healthier vending as a business opportunity, available training, proposed criteria for "healthier" products and product supply options.



- 6. **Coordinate special vendors' meetings** at which the SLA representative and Health Department staff jointly present the initiative, the rationale, the demand and the opportunity it represents. Conduct breakout groups with vendors during the meeting to address their individual concerns. Involve vendors from the start in this collaborative effort. Use a collaborative approach that engages all major stakeholders.
- 7. Decide what percentage of a machine must be "healthy" to satisfy the new healthier vending program. Develop this element collaboratively with the blind vendors and SLA representative and Involve consumer representatives if possible. Setting an overly ambitious percentage of healthy products could backfire. Guidelines for Federal Concessions and Vending Operations, for example, set basic standards for all products and then higher standards for just 25% of the products in a machine. Vendors may find that many of their products *already* meet the healthy criteria. Alabama started at 50% but changed to 30% after working with vendors to compromise. A gradual approach that increases over time allows vendors to adapt while machines attract new customers.
- 8. **Offer training to the vendors** on how to transition to the healthier vending model set forth in the initiative. Make it attractive for the vendors. Include marketing strategies that identify healthy options for consumers. Develop your own training in collaboration with the SLA, or contract with healthy vending companies to train vendors on a healthy vending model.
- 9. Promote the initiative and educate consumers about their expanded options. Develop or adopt promotional materials to prepare state agency employees for the change and to draw new customers to the updated vending machines. Some healthy vending models provide their own flyers, stickers and other materials to promote the new, healthy options in the machines. One state found that the "Fit Pick" stickers didn't adhere well, and so used key tags instead a solution created by a blind vendor. Utilize direct communications such as agency email, listservs and internal newsletters, to reach the target audience with promotional information.
- 10. **Monitor the progress of implementation** to document success and inform needed changes. Ensure vendors are tracking pricing and sales data to help identify consumer preferences and the shift toward healthier consumption. Gradual transition may be necessary. Consider starting with a pilot project at just a handful of state buildings. Success in the pilot project will help facilitate full implementation.

Challenges and Solutions

These are some of the common challenges to anticipate and possible solutions to consider when working on a healthy vending machine initiative for state owned and operated facilities.

Vendor Resistance

Challenge: Some vendors are resistant to change they perceive as forced upon them. Some may push back if the contracting agency suggests standards for items stocked in their machines. Others feel convinced that healthy products won't sell. They wish to protect their business interests, and feel threatened by changes that may impact their bottom line or level of effort. This is understandable. **Solution**: In a word: collaboration. Engaging the SLA with vendors *early* in the process is critical. Provide training and support. Show vendors that many of the products they stock *already* meet "healthy" standards; they just need to be labeled. Consider a pilot project and a gradual approach to the



percentage of healthy products required in machines. Emphasize healthy vending as a way to expand the customer base, maintain profitability and lead the trend toward healthier environments.

Supplier Discouragement

Challenge: Some product suppliers may not be supportive because their product lines may not include items meeting healthy standards. They may discourage their vendors from stocking healthier options claiming they are too expensive or not profitable.

Solution: Avoid this barrier by working with the SLA to create products lists that meet healthy standards. Share examples from other states of successful initiatives. Share the 2011 State of the Vending Industry Report with vendors (see link in Resources below) which includes a section titled "Support Grows for Healthy Items." Select healthy products that cost the same as other items, not more.

Maximizing Healthy items in Vending Machines

Challenge: Some vendors as well as customers believe the health department's goal is to require vending machines to carry 100% healthy products. Despite more modest proposals seeking 30-50% healthy products, some remain skeptical, convinced that it's just a matter of time before the some agency demands total control of vending machine contents.

Solution: If 100% is the long-term goal – as already achieved in many areas – then say so. Otherwise, make it explicitly clear from the start that the purpose of a healthy vending machine initiative is to *increase* consumer choice by *expanding* access to healthier snack and drink options for consumers. This means less healthy products can be part of the mix. Involve vendors in the process and increase healthier options gradually toward the target percentage. Many initiatives across the country aim for 50% to 75%.

State Initiatives

The following state health departments have implemented or are in the process of implementing healthy vending machine initiatives for their state facilities. This list is not exhaustive, but provides some basic detail on these states' efforts as of August 2012.

Alabama

The SLA in Alabama was aware of trends in the industry toward healthier vending and supported the efforts of the Alabama Department of Public Health (ADPH). Alabama's initiative recommends that between 25-100% of food and beverages sold in all state vending machines meet their selected nutrition standards. ADPH developed the "Good Choice" logo to identify snacks that meet the criteria. For more information visit: <u>http://www.adph.org/NUTRITION/index.asp?id=4929</u> Point of Contact: Teresa Fair, 334-206-7941, <u>teresa.fair@adph.state.al.us</u>

lowa

The Iowa SLA is represented by the Business Enterprise Program housed in the Department for the Blind. They are the primary point of contact and champion for this effort. Supportive vendors were identified to pilot a healthy vending machine program in the Capitol Building complex and at highway rest stops. Iowa is using the NEMS-V model (<u>http://www.nems-v.com/</u>) for this initiative, with the goal of providing 30% healthy options in state-owned building vending machines, rest areas and state parks. Iowa Department of Heath also joined NAMA (<u>http://www.vending.org</u>) and attended its conference to gain understanding of vendors' perspectives.

Point of Contact: Carol Voss, 515-242-5566, carol.voss@idph.iowa.gov



Mississippi

The Mississippi SLA representative was very supportive and influential in gaining the support of blind vendors, mainly due to his prior working relationships with the vendors. The Health Department staff collaborated with the SLA to engage vendors early in the process. Vendors were trained in NAMA's "Fit Pick" model by staff from Department of Health and from "Fit Pick." Healthy product purchases have increased over time. Mississippi's healthy vending machine initiative has found appeal in other worksites including the NASA facility and some interstate roadside rest areas. For more information, visit: <u>http://msdh.ms.gov/msdhsite/_static/43,10409,277,86.html</u> Point of Contact: Joe Styron, (601) 853-5280, jstyron@mdrs.ms.gov

Ohio

The representative in the SLA's Business Enterprise Program is supportive of the healthy vending machine effort. A pilot program of the vending changes is currently in place at 6 different locations, with additional locations planned. Vendors are provided with point of purchase prompts, marketing materials and new lighting for their machines, as well as SLA assistance with product placement. Most of the vendors are using the "Fit Pick" model (<u>http://fitpick.org/</u>) which they found easier to implement than the three-tiered "Snackwise" model (<u>http://snackwise.org</u>). This initiative seeks to collect and analyze three months of sales and ordering data from each site. Vendors' case managers are trying to address the supply side (healthy product procurement) by identifying products and encouraging local suppliers to increase healthy snack options.

Point of Contact: Kristen Scott, 614-466-2248, kristen.scott@odh.ohio.gov

Local Initiatives

See the following links to learn more about each of these local healthy vending initiatives.

- California Contra Costa County (100% healthy):
 <u>http://www.cchealth.org/topics/nutrition/vending_machine_policy.php</u>
- California Los Angeles County (100% healthy): <u>http://countypolicy.co.la.ca.us/3.115.htm</u>
- California Marin County (memorandum of understanding): <u>http://www.banpac.org/pdfs/healthy_vending/marin_county.pdf</u>
- California Monterey (100% healthy): <u>http://www.co.monterey.ca.us/admin/pdfs/HealthyVendingPolicy.pdf</u>
- California San Diego County: <u>http://www.sdcounty.ca.gov/hhsa/programs/phs/documents/HealthyChoiceOptionsinVending</u> <u>MachinesPolicy3-07.pdf</u>
- Washington King County (voluntary guidelines): <u>http://www.cspinet.org/new/pdf/kc_vending_guidelines.pdf</u>
- Texas Cameron County: <u>http://www.co.cameron.tx.us/purchasing/docs/VENDING_MACHINES_POLICY.pdf</u>

Resources

Healthy Vending Standards

 Government Services Administration Guidelines for Federal Concessions and Vending Operations (last 2 pages): <u>http://www.gsa.gov/graphics/pbs/Guidelines for Federal Concessions and Vending Operations.pdf</u>



- Nutritional Environment Measures Survey Vending (NEMS-V) which is based on the Institute of Medicine (IOM) Nutrition Standards for Foods in Schools: <u>http://www.nems-v.com/</u>
- Nemours Healthy Vending Guide, which categorizes foods and beverages by their nutrient density as "GO," "SLOW" and "WHOA" products: <u>http://www.nemours.org/content/dam/nemours/www/filebox/service/preventive/nhps/resour</u> <u>ce/healthyvending.pdf</u>
- Fit Pick[™], a healthy vending program created by the National Automatic Merchandizing Association (NAMA): <u>http://fitpick.org/</u>
- Snackwise[®], a model that utilizes 11 parameters and an online calculator to rate snacks as either "best choice," "choose occasionally," or "choose rarely": <u>http://snackwise.org</u>

State of the Vending Industry Report 2011

This 2011 report, published by Automatic Merchandiser, includes a section titled "Support Grows for Healthy Items" on page 21, as well as findings on page 26 that claim "Nutrition snacks posted the largest number of items added in 2010 and was one of only two categories to register an increase." <u>http://media.cygnus.com/files/cygnus/document/AUTM/2011/AUG/1839_soivendingreportemf_10343</u> <u>108.pdf</u>

Toolkits and Guides

- Bay Area/San Diego and Imperial Regional Nutrition Network Vending Machine Toolkit: <u>http://www.banpac.org/healthy_vending_machine_toolkit.htm</u>
- Knox County, TN Healthy Vending Toolkit: <u>http://knoxcounty.org/health/pdfs/vending_toolkit.pdf</u>
- Nemours Healthy Vending Guide: <u>http://www.nemours.org/content/dam/nemours/www/filebox/service/preventive/nhps/resour</u> <u>ce/healthyvending.pdf</u>

Other

- Improving the Food Environment Through Nutrition Standards: A Guide for Government Procurement: <u>www.cdc.gov/salt/pdfs/DHDSP_Procurement_Guide.pdf</u>.
- ASTPHND: Various examples and resources have been gathered and saved on ASTPHND's website: <u>http://www.astphnd.org/resource_read.php?resource_id=225</u>

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