

UC Global Food Initiative

Operations Subcommittee:
Healthy Vending Workgroup

*UC Healthy Vending Policy
Business Case Analysis*

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**Global Food
Initiative**
UNIVERSITY OF CALIFORNIA

TABLE OF CONTENTS

1. Project Overview
2. Purpose
3. Methodology
4. Assumptions
5. Business Need
6. Alternative Analysis
7. Recommendation
8. Cost Benefit Analysis
9. Strategic Alignment
10. Key Issues and Risks
11. Acknowledgments

1. Project Overview

In July 2014, University of California (UC) President Janet Napolitano, together with UC's 10 chancellors, launched the UC Global Food Initiative (GFI). The initiative aligns the university's research, outreach and operations in a sustained effort to develop, demonstrate and export solutions — throughout California, the United States and the world — for food security, health and sustainability.

As part of the first phase of the initiative, a UC Healthy Vending Working Group was formed to develop a system-wide UC Healthy Vending Policy with an accompanying implementation toolkit. The UC Healthy Vending Policy sets minimum standards for all UC locations to improve food and beverage offerings in vending machines. The toolkit helps UC locations implement the policy by providing best practices, resources and examples that showcase successful implementation of nutrition policies at various UC locations. As of June 2016, UCLA has fully implemented the policy guidelines at the Benchmark 2 level, and is now starting to pilot 100% healthy vending machines.

Most UCs have voluntarily had healthy vending programs in place for several years which comply with the criteria set forth in Senate Bill 912 (2014). Please see the chart below. Implementation of the UC Healthy Vending Policy will set consistent standards across UC, with which vendors must comply. UC locations have been seeking guidance on defining what is “healthy”, often defaulting to nutrition guidelines set by the vendors they work with, leading to inconsistent access to healthy vending options across our campuses. This policy would institutionalize a uniform set of standards that help ensure that all our campus communities have access to healthy food and beverages, demonstrating UC commitment to nutrition and wellness.

The standards in this policy were established by the Vending Working Group to:

1. Ensure that food and beverages are available that help our UC community meet the current Dietary Guidelines for Americans.
2. Expand access to healthier food choices.
3. Support the health and well-being of all members within the UC system and serve as a model for other colleges, universities, and institutions across the country and beyond.

The nutrition guidelines outlined in the policy are intended to be incorporated into all UC vending contracts, as they come up for renewal and/or during the Request for Proposal (RFP) process, such that policy implementation primarily involves the vendor. At each UC location, the department managing vending contracts would provide oversight to ensure that the vendor is complying with the criteria set forth in the policy. All campuses already have personnel identified as the primary contact or liaison for vending machine contracts. Vendors would also have the responsibility to identify and ensure that they have products that meet the new UC criteria. Each UC location would also be able to draw on the support of their Healthy Campus Network lead for policy implementation and monitoring.

Location	Healthy Vending Program - Food	Healthy Vending Program - Beverages	Food Vendor	Beverage Vendor
Office of the President	No formal program – some healthy options provided	No formal program – some healthy options provided	West Coast Vending	West Coast Vending
Berkeley	Choice Plus Program (Canteen) Eat Well Berkeley using SB 912 standards	Choice Plus Program (Canteen)	Canteen	Pepsi
Davis/Medical Center	UCD Healthy Campus Initiative using SB 912 standards	UCD Healthy Campus Initiative using SB 912 standards	Canteen (currently out to bid – using UC Healthy Vending Policy criteria)	Pepsi
Irvine/Medical Center	UCI HR Wellness Program using SB 912 standards & <i>Go Healthy! Go First Class! Healthy Vending Initiative</i>	UCI HR Wellness Program using SB 912 standards	First Class Vending	Pepsi
Los Angeles/Medical Center	UCLA Healthy Campus Initiative – using UC Healthy Vending Policy criteria	UCLA Healthy Campus Initiative – using UC Healthy Vending Policy criteria	UCLA Vending Services	Coca Cola
Merced	No formal program – some healthy options provided	No formal program – some healthy options provided	UCM Vending	Pepsi
Riverside	UCR Healthy Campus Initiative “Well Within Reach” using SB 912 standards	UCR Healthy Campus Initiative “Well Within Reach” using SB 912 standards	First Class Vending	Pepsi
San Diego	Choice Plus Program (Canteen) – using UC Healthy Vending Guidelines	UC Healthy Vending Guidelines	Canteen	Coca Cola
San Francisco/Medical Center	Choice Plus Program (Canteen)	UCSF Healthy Beverage Initiative (zero-calorie and nutritious drinks)	Canteen	Canteen
Santa Barbara	Choice Plus Program (Canteen)	Choice Plus Program (Canteen)	Pepsi and Coastal California (Canteen)	Pepsi and Coastal California (Canteen)
Santa Cruz	OPT Healthy (Sodexo)	OPT Healthy (Sodexo)	Sodexo	Pepsi

Purpose

Vending machines serve as a convenient source of food for college communities and other organizations throughout the world. However, vending offerings often consist of inexpensive, calorie-dense foods, that are high in sodium, refined sugar, and saturated fats; which contribute to the obesity epidemic and other associated health issues. Although vending machines are a pervasive part of the campus environment, they are often overlooked when it comes to strategies for providing healthy nutrition options.

In the US, food and beverage vending is a \$34 billion industry with 33,000 vending machines on college and university campuses. The University of California has approximately 530 food vending machines and 780 beverage vending machines. Currently all vending contracts are expected to follow the California Senate Bill 912 regulations which govern vending machines on state property. Some campuses are going beyond SB 912 with their own healthy campus initiatives (e.g., UCSF's Healthy Beverage Initiative, UCLA's Healthy Campus Initiative). The UC Healthy Vending Policy sets stricter requirements than SB 912, which is necessary to ensure that there are vending machine options that also meet current dietary guidelines.

With college being such a critical transition period into adulthood for students, the importance of demonstrating leadership in educating students about nutrition choices and offering healthy options is extremely important and will have life-long impacts. A healthy diet can reduce the risk of chronic disease, and has also been shown to be one of the biggest predictors of higher grade point averages (GPA) in university students. When healthy options are always available, it is easier for students and others to choose wisely and support healthier eating. Furthermore, national nutrition policies that govern the school food environments in K-12 settings have been in place for several years – students who are entering college now are accustomed to having healthy food and beverage options in their learning environments.

Recent studies have shown that healthier items are increasing in demand and sell well enough to be financially feasible for university vending operations. In fact, UC and other universities are already offering healthier items in their vending machines without any detrimental effect to sales. In 2013, UCLA planned, implemented and evaluated a pilot vending machine program aimed at encouraging customers to choose healthier items over conventional items without compromising the financial viability of the machines. The study showed an improved likelihood of purchasing something healthier without losing revenue or profit. At UCSF, a ban on sugar-sweetened beverages campus-wide was implemented and preliminary findings showed no overall decrease in beverage sales.

By ensuring students, faculty, and staff have easy, convenient access to healthier choices in vending machines, the UC Healthy Vending Policy supports and encourages a healthy lifestyle, and demonstrates UC's commitment to ensuring that the University is a healthy place to work, learn, and live. This policy is aligned with the mission of the Global Food Initiative and supports President Napolitano's vision of achieving more through coordinated, system-wide efforts.

2. Methodology

The Nutrition Policy Institute (NPI), in UC Agriculture and Natural Resources, was contracted to conduct literature reviews, research healthy vending policy models and best practices, draft the policy and toolkit, and evaluate policy impact. NPI worked closely with the UC Healthy Vending Working Group,

which consisted of both vending managers and nutrition experts from 5 different UC locations, to make decisions about what nutrition standards to include in the vending policy. Decisions about each nutrition standard took into account dietary recommendations and implementation feasibility, in order to strike a balance between improving the healthfulness of vending machine offerings while maintaining product variety and revenue. Once a consensus was reached, early drafts of both the policy and toolkit were sent for review by a wide array of stakeholders including campus dining and foodservice operators, purchasing managers, sustainability managers, vending operators and contract partners, GFI fellows, associated student groups, nutritionists and dietitians, UC wellness managers, and UCOP policy administrators. All feedback generated by the stakeholder groups listed above was taken under consideration and incorporated into policy revisions as much as possible.

3. Assumptions

- a) There is sufficient demand by campus customers for healthy vended food and beverage options. Providing a greater variety will not negatively impact the bottom line in terms of profitability.
- b) Vended food and beverage vendors can supply a wide variety of products that meet policy criteria.
- c) Vendors will partner with UC locations to implement the policy and ensure that guidelines are consistently followed.

4. Business Need

One of the goals of the UC GFI is to leverage expertise from a wide range of fields. Creating broad partnerships within a UC location that have an interest in healthy vending, from nutrition to sustainability, can help achieve these goals.

Recent studies have found that healthier items are not only in growing demand, but that selling them is financially feasible for university vending operations. This policy aims to improve the community's food environment and support lasting changes in health behavior without compromising taste, convenience, or choice. Many UC partner vendors are already following the guidelines set forth in California Senate Bill 912 (SB 912). The UC Healthy Vending Policy builds on the criteria in SB912, guidelines developed at UCLA and UCSF, and standards set forth by other established agencies and organizations.

Most UC locations have already implemented their own version of healthy vending in collaboration with vendor partners, but are looking for guidance and consistency in criteria and implementation strategies. Implementing a UC Healthy Vending Policy consolidates efforts in a highly decentralized process and capitalizes on the research and best practices within UC. It also demonstrates leadership and caring in ensuring that healthy food and beverage options are available and accessible to all campus customers, which includes largely students. A UC policy on healthy vending would not only guide locations on how to implement their program, it would also provide the strength of UC policy in ensuring vendor compliance. UC locations and vending partners have shared their support for the new policy and have indicated that compliance with the criteria would be very achievable.

The UC Healthy Vending Policy will set the standard for healthy vending in university environment. Other PAC-12 universities have already been requesting to adopt our draft policy. The policy and accompanying toolkit should also be used as the standard for California State Universities as well as California Community Colleges.

5. Alternative Analysis

Alternatively, instead of implementing a policy, the UC Healthy Vending Policy could be rolled out simply as “best practices” or “guidelines.” While it is helpful to have these available as a resource, past experience demonstrates that even for those who are highly motivated early adopters, we often prioritize what is most urgent and what our organization deems as most important. In an institution as large as the University of California, it is actually more helpful to have a well-executed plan across all UC’s, especially in this instance which involves student and employee health. Instead of wasting resources at the location level trying to develop a plan, the campuses simply need to adopt a well-researched and pre-vetted program.

6. Recommendation

The GFI Healthy Vending Workgroup is recommending that the UC Healthy Vending Policy and Toolkit be distributed for formal review, with the intention of having it adopted as a UC-wide policy. At this point, an official owner at the UC level needs to be established. Our recommendation is that the policy reside in Human Resources, as it aligns with wellness initiatives and policies.

7. Cost Benefit Analysis

Increasing healthier options in vending machines has been shown to increase sales over time. Many settings such as city parks, office buildings, and hospitals have reported positive feedback and increases in sales after implementation of healthier products. Even though some locations experienced initial dips in sales, revenue returned to previous levels within six months. Furthermore, the transition to healthier vending options proved to be even more successful when coupled with nutrition education, taste tests, promotions and pricing changes.

Using the classic “4-P’s” of marketing as a guide: 1) Product – there is a wide variety of products which meet the criteria and food and beverage companies frequently reformulate existing products or create new products to meet the criteria; 2) Pricing – to drive sales toward healthier choices, the prices of healthy items should be reduced, while the price of unhealthy items are increased; 3) Placement – healthy products are placed at eye level; 4) Promotion – stickers and signage are used to point to healthy items, and educate consumers on the benefits of healthy eating.

Baseline data is currently being collected so that it can be compared to sales before, during, and after policy adoption to gauge success rates in achieving policy goals for more healthful eating. The UC Healthy Vending Policy includes a provision for regular monitoring of vending machines to be overseen by each UC location.

8. Strategic Alignment

Nationwide, primary and secondary schools have begun to highlight the importance of healthful food service and vending machine policies in recent years. For over a decade, California K-12 schools have been governed by state-legislated competitive food and beverage policies, which cover vending machines. Healthier options will be familiar and accepted by these students when they enter college. In fact, UC and other universities nationwide have already begun implementing healthy vending machine policies. These policies have been shown to be well received by college students. By ensuring students, faculty, and staff have easy convenient access to healthier choices in vending machines, the GFI supports and encourages a healthy lifestyle for our community.

Implementing the UC Healthy Vending Policy presents a great opportunity to also consider sustainability and ensure that vending machines and products are in line with sustainability recommendations. For instance, we can encourage vendors to stock the foods and beverages that meet the criteria listed in the UC Sustainable Practices Policy, such as products labeled Fair Trade Certified, USDA Organic, or grown and produced locally (within 500 miles). Stocking smaller portions of beverages and snacks that undergo less processing can help meet both nutrition and sustainability goals. We can also encourage working with vendors to bring in vending machines that are Energy Star certified or use Vending Misers-type technology with their machines in order to reduce the energy used by the vending machines.

The UC Healthy Vending Policy could also align under a more general UC Nutrition Policy and with newly created Healthy Campus Networks, which could further support healthy vending goals. The policy may also encourage future opportunities for locations to collaborate on a UC-wide vending contract which could improve our negotiating power and profits and provide greater consistency in the implementation of the policy.

9. Key Issues and Risks

Compliance is a key issue that could hinder successful policy adoption. To support compliance, it is recommended that each UC location establish its own Policy Advisory Committee (PAC) to provide oversight for policy implementation, monitoring and compliance. This PAC can be part of an existing campus wellness committee and/or coordinate with other initiatives addressing a healthy and sustainable food environment. For example, there may be an opportunity to include sustainability goals along with the nutrition benchmarks of the UC Healthy Vending Policy, or if there are campus-wide sustainability goals, vending machine operations and product procurement should be taken into consideration so that efforts are coordinated. At UC Berkeley, they created an assignment to undergraduate nutrition students to audit the vending machines. This could be a model for other campuses to emulate providing a collaborative educational opportunity in a real world environment for students in health-related majors.

A long lead-time has been allotted for implementation of this policy, recognizing that most UC location vending programs are operated under long-term contracts with outside vendors and that implementation may require adequate transition time, collaboration, and/or may need to wait until a new contract is negotiated. Additionally, each campus may be at a different starting point with the types of products currently offered in vending machines.

10. Acknowledgments

The GFI Healthy Vending Workgroup would like to acknowledge the support of GFI leadership, UC nutritionists and dieticians, UC dining and vending operators, vending partners, other campus stakeholders, and UC President Janet Napolitano for their support in developing and reviewing the UC Healthy Vending Policy and Toolkit.