



DEPARTMENT OF INSPECTOR GENERAL  
OKALOOSA COUNTY, FLORIDA  
JD PEACOCK II, CLERK OF CIRCUIT COURT AND COMPTROLLER



February 9, 2024

Brad Embry, Chief of Staff  
Okaloosa County Clerk of Circuit Court and Comptroller  
101 East James Lee Blvd.  
Crestview, FL 32536

Mr. Embry,

At your request, our office completed an Administrative Review of vending machine operations conducted in various County locations.

A spreadsheet is attached identifying the locations of the vending machines, identification of the operators, commission structure (or lack thereof), and whether an operating agreement exists.

Our office found there is only one official agreement for stand-alone operation of vending machines in the County. C19-2827-BCC covers vending in the Crestview Courthouse and was amended to add machines in the EMS Training Center (2110 PJ Adams Pkwy). The Airport and TDD Convention Center have vending operations that are tied to larger Master Concession agreements that include vending machines as part of the agreement. As noted in the spreadsheet, the balance of the locations do not have operating agreements. Some locations do generate revenue in the absence of an operating agreement. Our review yielded locations that have no operating agreement and are not generating County or department revenue in those locations. Research found that vending operations are bought out by different vendors and the County is not notified of changes and is unaware of who services the machines, due to a lack of an operating agreement.

Several departments have internal self-funded employee-only vending operations with no vendor attachment. One of the vendors, Quality Snacks, mentioned several locations being serviced that are not included on the spreadsheet as they were not public facing machines. The bus barn was mentioned as an example.

The Corrections department currently has vending operations but is moving to a different platform that will eliminate vending machines, so we did not pursue their existing commission structure. We verified with the current vendor the existence of vending machines at the location.

A review of payments received from the existing vendors indicates sporadic payments that do not always include every machine serviced at a location, but we did not evaluate the



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possible lack of payment or lack of regular payment that occur due to low revenue machines. Our review found that no individual is responsible for evaluating the vendor payments for any type of sufficiency or contract compliance.

We recommend the County either amend the existing County vending contract to include all locations with public facing vending machines so only one vendor is responsible for all locations for monitoring and tracking purposes or rebid the contract to potentially increase the revenue percent through competitive bidding.

We appreciate the opportunity to be of service and are available to answer any questions you may have related to this matter.

Respectfully,

Andrew Thurman, Inspector General

Location	Address	Type	Vendor	Customer Facing	Commission	Contract
Crestview Courthouse	101 East James Lee Blvd, Crestview 32536	Drink	Coca Cola Bottling United-Central LLC	Y	10% of revenue	C19-2827-BCC
		Snack	647 Valpariso Pkwy Valpariso, FL 32580	Y	10% of revenue	C19-2827-BCC
		Drink	R & R Vending is the subcontractor who stocks the machines.	Y	10% of revenue	C19-2827-BCC
EMS Training Center	2110 PJ Adams Pkwy Crestview	One drink			10% of revenue	C19-2827-BCC
Courthouse Annex	1940 Lewis Turner Blvd, Ft Walton Beach 32547	Drink	Buffalo Rock	Y	20% of revenue	No current operating agreement. But willing to commit to one.
		Snack	8801 Grow Dr	Y	15% of Revenue	
		Snk	Pensacola, 32514	Y	15% of Revenue	
		Drink		Y	20% of Revenue	
Water /Sewer	1804 Lewis Turner Blvd Fort Walton Beach 32547	one drink	The Quality Companies Inc	Y	12% sales less sales tax	No operating agreement.
		one snack	Quality Snacks and Vending	Y	12% sales less sales tax	No operating agreement.
		one drink	1491 Quality Way Tallahassee 32303	Y	12% sales less sales tax	No operating agreement.
OKAB	1250 N Eglin Pkwy Shalimar 32539	one drink	Coca Cola Bottling - United Central LLC	Y	per Coke, <b>not set up for commission.</b> per Kevin, <b>not set up for commission payment.</b> <b>no commission payment</b> , he bought the existing machine from another vendor .	No operating agreement.
		one snack	Quality Snacks	Y		No operating agreement.
		one drink/snack	Harmony Vending	Y		No operating agreement.
Welcome Center	1540 Miracle Strip Pkwy SE Fort Walton Beach 32548	1 drink	Coca Cola Bottling United-Central LLC 647 Valpariso Pkwy Valparaiso, FL 32580	Y - Vendor wants to remove, low volume machine.	<b>Not set up for commission</b>	No operating agreement.
<b>Not A Good Fit For project, part of larger agreements.</b>						
Airport	1701 State Road 85 N, Eglin AFB, 32542	5 Drink	Oakwell Commuter Rail LLC	Y and N	12% of revenue	L17-0452-AP Master Concession Agreement
		5 Snack	1935 S Semoran Blvd, Bldg2 - suite 1011 Orlando, FL 32792	Y and N	12% of revenue	L17-0452-AP Master Concession Agreement
Tourist Development	1540 Miracle Strip Pkwy SE Fort Walton Beach 32548	1 drink	Aramark	Y	% of Gross receipts	C24-3924-TDD Part of Concession agreement
		1 drink	2400 Market St	N	% of Gross receipts	C24-3924-TDD Part of Concession agreement
		1 snack	Philadelphia, PA 19103	Y	% of Gross receipts	C24-3924-TDD Part of Concession agreement
<b>Not A Good Fit For project, staff only machines.</b>						
Public Works	1759 S Ferdon Blvd Crestview 32536 Patty Cook 850-423-4831	One drink One snack	R & R Vending Inc 1130 W Nine Mile Rd Unit 750 Pensacola, 32534	N	n/a	Y - no fee paid to County, chose reduced rate
<b>No Vendor or Internally supplied</b>						
Facility and Parks Maintenance	5489 Old Bethel Rd, Crestview 32536		N	N	n/a	N - Internally funded and supplied.
Fleet	1759 S Ferdon Blvd Crestview 32536		N	N	n/a	N - Internally funded and supplied.
Public Safety	90 College Blvd East Niceville 32578		Sheriff Office manages.	N	n/a	N Internally funded and supplied.
Braekin Building	302 Wilson St, Crestview 32536	NO Vending	n/a	n/a	n/a	NO Vending
Corrections	1200 James Lee Blvd Crestview, 32539		Going to a Vendor supplied stocked snack area for staff and removing vending machines.	Y	did not follow up	did not follow up