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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Sara Bedford
Director, Human Services

SUBJECT: 2016 Summer Food Service Program

DATE: April 15, 2016

City Administrator Approval

Date:

4/27/16

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To 1) Accept The Summer Food Service Program (SFSP) Grant From The California Department Of Education, Nutrition Services Division In An Estimated Amount Of \$416,005 And 2) Enter Into Professional Service Agreements With The San Lorenzo Unified School District In An Amount Not To Exceed \$90,612 And Revolution Foods In An Amount Not To Exceed \$94,270 And Children's Empowerment Inc., In An Amount Not To Exceed \$138,010 To Provide Food Services For The Period June 13, 2016 Through August 12, 2016.

EXECUTIVE SUMMARY

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to accept the Summer Food Service Program (SFSP) grant from the California Department of Education, Nutrition Services Division in an estimated amount of \$416,005 to the Human Services Department (HSD) to reimburse the City's Summer Food Service Program for the provision of 92,000 free lunches and 89,000 free snacks to Oakland children and the delivery of the meals to City and community sites during the grant period from June 13, 2016 to August 12, 2016. Staff also recommends that the City Council approve professional services agreements with the San Lorenzo Unified School District (SLZUSD), Revolution Foods and Children's Empowerment Inc., to provide food vendor services for the 2016 Summer Food Service Program for children.

BACKGROUND / LEGISLATIVE HISTORY

The SFSP is regulated under United States Department of Agriculture (USDA) Title 7 Code of Federal Regulations (CFR) Part 225. The program is administered by the California Department of Education (CDE), Nutrition Services Division.

The purpose of the program is to provide children in low-income areas with free, nutritionally balanced lunches during the summer months when they are not in school. The City of Oakland has applied for the SFSP reimbursement grant and has been approved as a SFSP sponsor for

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Life Enrichment Committee
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the past 30 years. In 2015, the HSD delivered 88,231 lunches and 86,536 snacks and received reimbursement revenues of \$389,651. Total expenses of \$401,725 less central services overhead (CSO) waiver of \$14,228 resulted in an excess of revenues over costs of \$2,154.

As a sponsor, the City contracts with vendors, who prepare the lunches and snacks, and then delivers them to community sites in Oakland. The HSD monitors each site and documents meal compliance with all regulations for transporting, delivering, and serving meals. In 2016, the City will be reimbursed for meals served directly to children at the rate of \$3.69 per lunch and \$0.87 per afternoon snack when delivered in compliance with SFSP administrative guidelines.

ANALYSIS AND POLICY ALTERNATIVES

About one-third of Oakland children live in families with income below the federal poverty level. As more Oakland families experience poverty and hunger, the demand for food programs has increased. Currently, about 75 percent of the Oakland Unified School District's students qualify for free or reduced lunches during the school year. The SFSP provided 88,231 lunches and 86,536 snacks to children last summer to combat hunger and ensure that children receive nutritional meals during the summer when not in school. The SFSP free lunch program helped increase attendance at community sites, including 22 recreation centers, nine libraries, and another 40 community-based and faith-based programs for children.

Vendor Selection: The HSD conducted a formal Request for Proposal (RFP) process to adhere to the CDE guidelines and the City's purchasing policies for a competitive process for food vendor selections. The RFP was initially issued on February 17, 2016. The bid from SLZUSD was the only bid that was complete and submitted on time. In order to ensure a competitive process, the RFP was reissued on March 10, 2016. Three vendors submitted complete bids and were considered in the selection of SFSP vendors.

Vendors had the option to bid on full or partial (50 percent) award of the program with or without delivery to all the SFSP sites. Three vendors submitted bids for full program delivery to the SFSP distribution center where meals are placed in refrigerated vehicles and delivered by the City to program sites. Only one vendor included the proposed option to deliver directly to sites. The prices submitted were as follows:

Table 1: Bid Price Submitted by Vendors

Vendor	Lunch	Snack
San Lorenzo Unified School District	\$2.47	\$0.75
Revolution Foods	2.57	0.80
Children's Empowerment Inc. - delivery to SFSP	2.94	0.69
CEI - delivery direct to all sites	3.34	.79
CEI - delivery direct to portion of sites	3.16	.74

Vendors were rated on the categories of price, menu variety, capacity, and quality and taste of food samples.

Table 2: Ratings for Three Vendors

Category	Max. Score	SLZUSD	CEI	Rev Foods
Price	30	30	18	25
Menu	30	24	27	23
Capacity	20	18	20	18
Work/ Food Samples	20	15	16	19
Total	100	87	81	85

All three vendors are recommended for inclusion in the 2016 SFSP. The San Lorenzo Unified School District submitted the lowest bid price, is the most experienced vendor with the Oakland SFSP and has passed every review conducted by the State of California. Revolution Foods is an Oakland based vendor, has provided meals to the Oakland SFSP twice, submitted the next lowest price and received the highest score on taste results for food samples. Children's Empowerment Inc. (CEI) will be a new vendor for Oakland SFSP. It received higher ratings for menu variety by including hot meals and for its capacity by proposing to deliver meals to sites directly.

Children's Empowerment Inc. is a non-profit organization, founded in 1999, which has been providing access to meals for students since 2012 as a sponsor of the Child and Adult Food Care Program and the Summer Food Service Program, and is currently delivering 4,000 meals daily across five Bay Area counties. Currently during the school year, the Office of Parks and Recreation (OPR) and the Oakland Public Library (OPL) receive free meals through the Child and Adult Food Care Program which are prepared and delivered directly to OPR and OPL sites by CEI. OPR and the OPL leadership indicate that both the quality of meals delivered by CEI and the continuity of service are highly valued.

As SFSP has expanded, delivery by the City is increasingly challenging. Meals must be delivered in refrigerated trucks and arrive at each of the 72 sites in time for their approved meal service, usually a window of 12 noon to 1 p.m. The City will lose the reimbursement for any meal that is delivered outside of the approved meal service time or that fails to meet the requirement for the temperature at the time of delivery. The difficulty and the additional cost of renting refrigerated vehicles is a major consideration.

CEI's cost per meal is higher than the other two vendors due to the cost of delivery and of the equipment required to provide hot food options for sites. However, the additional benefits of CEI's delivery to OPR and OPL sites includes:

- reducing costs to rent refrigerated trucks
- reducing labor costs
- producing essential support for delivering meals in a timely manner
- limiting risk to the City for potential vehicle damage

The Council must weigh the benefits listed above with the increased complexity of managing the food ordering process from three different vendors. Staff believes that once protocols are established that the program will be successfully managed.

HSD's proposal to incorporate all three vendors will result in vendor agreements awarded in the following amounts based on estimated meals to be prepared and delivered for each vendor.

Table 3: Price for Meal service and Partial delivery for the SFSP 2016

CEI meal service and delivery			
Lunch	37,000	3.16	\$116,920
Snack	28,500	0.74	21,090
Total			138,010
SLZUSD meal service			
Lunch	27,500	2.47	67,925
Snack	30,250	0.75	22,687
Total			90,612
Revolution Foods meal service			
Lunch	27,500	2.57	70,675
Snack	30,250	0.78	23,595
Total			94,270
Total Meal Service Cost			\$322,892

Total price for meal service is based on 92,000 lunches and 89,000 snacks to be consumed during the 2016 Summer Food Service Program.

FISCAL IMPACT

The total cost to implement the 2016 SFSP is approximately \$477,969 which is funded primarily by the SFSP grant from the CDE along with a small portion of funding from the General Purpose Fund and donations. The appropriation for the SFSP grant is included in the Fiscal Year (FY) 2015-2016 Adopted Budget in the Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), FY 2015-2016 Summer Food Program Project (G421040), and Strengthening Children, Youth and Families Program (YS13). In addition, a contribution from the general purpose fund to offset central service overhead costs in an estimated amount of \$17,569 has been approved in the Adopted Budget.

The grant reimbursement revenues of \$416,005 are projected based on 92,000 lunches and 89,000 snacks. The total cost for vendor contracts to provide the meals is \$322,892 and will exceed the budgeted amount of \$264,553. The use of City vehicles is also projected to exceed the Adopted Budget amount by \$4,319. In addition, projected advertising expenditures of \$1,420 were not included in the Adopted Budget. Therefore, an adjustment of \$73,278 to reallocate appropriations from personnel savings to vendor contracts (\$58,339), advertising and supplies (\$1,420), private vehicle rentals (\$9,200), and City vehicle costs (\$4,319) is required in order to properly align summer food program costs. Table 4 summarizes the actual estimated costs for the SFSP.

Table 4: Total Estimated Actual Cost for the SFSP 2016

Cost Category	Description	Amount
Admin/Labor Costs	Labor	\$67,960
	Overhead	6,743
	CSO	17,569
Food Vendor Costs	Lunch and Snack	322,892
Refrigerated Truck rental and autos	Misc. Rentals	9,200
Office Supplies/ Cell Phone/Duplicating		6,720
Advertising /Oakland Tribune		1,500
Delivery Vans and Monitors Cars	City Vehicles	13,100
Sub-Total Program Expenditures		\$445,684
City Internal Service Fund Charges		32,284
Total Estimated FY1516 Summer Food Costs		\$477,969

Table 5: Funding Source for SFSP 2016

Fund Source	Organization	Account	Project	Program	Amount
(2102) CED SFSP Grant	78241	46229	G421040	YS13	\$416,005
(2994) Social Services Grants Fund Anticipated NPRA Grant	78241	46411	A490310	YS13	3,389
(1010) GPF One-Time Subsidy	78241	49212	G421040	1TYM	33,006
(2102)CSO Subsidy	78241	49212	G421040	YS13	17,569
(2241) Measure Q Library Services Retention & Enhancement	61121	54911	G421040	YS13	8,000
Total Revenues					\$477,969

A grant from the National Park and Recreation Association (NPRA) is anticipated in the amount of \$20,000 and will fund the SFSP 2016 deposited to the Social Services Grants Fund (2994), Year Round Lunch Program Organization (78241), Other Grant: Private Party Account (46411), and Project (0000000). A donation from the Oakland Public Library in the amount of \$8,000 is also available to offset the food vendor costs for SFSP 2016.

PUBLIC OUTREACH / INTEREST

In an effort to encourage local food vendors to submit proposals for the City's contract for meal preparation and delivery, staff conducted outreach to announce the formal competitive process. A Request for Proposals (RFP) announcement was advertised in the Oakland Tribune. Public outreach of free summer meals is also provided through the use of visible banners at all community site locations to publicize the free lunch program in low-income communities. The Alameda County Community Food Bank collaborates with Oakland's SFSP by providing volunteers and an 800 telephone number for residents to call to find SFSP site locations.

COORDINATION

The Office of the City Attorney, the Controller's Bureau, Oakland Parks and Recreation, and the Oakland Public Library were consulted in the preparation of this report and resolution.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The 2015 summer session vendors, Revolution Foods and San Lorenzo Unified School District, delivered meals on time and at safe temperatures to the SFSP distribution center. Both the vendors and SFSP staff kept accurate records of the meals ordered and received, the temperature of meals upon delivery, and packaging. In 2016, vendors will be reviewed for their timely delivery of meals, control of temperature during delivery, and delivery of complete and undamaged meals. Vendors' facilities will also be reviewed by the California Department of Education Nutrition Services Division. The SFSP program will also monitor the quality of meals provided on a regular basis through surveys and site compliance through site visits.

SUSTAINABLE OPPORTUNITIES

Economic: The SFSP provides temporary part-time employment opportunities for five drivers and eight monitors.

Environmental: Recycled materials are used to package all meals provided to the lunch program. The Environmental Services Division is providing assistance to implement waste reduction efforts at OPR and OPL sites.

Social Equity: The SFSP addresses hunger by providing access to free and nutritious meals for low-income children. Improvements in nutritional intake are linked to performance in school and overall child health and wellness.

ACTION REQUESTED OF THE CITY COUNCIL

Staff request that the City Council adopt a resolution authorizing the City Administrator to 1) accept the Summer Food Service Program (SFSP) Grant from the California Department of Education, Nutrition Services Division in an estimated amount of \$416,005 and 2) enter into Professional Service Agreements with the San Lorenzo Unified School District in an amount not to exceed \$90,612 and Revolution Foods in an amount not to exceed \$94,270 and Children's Empowerment Inc., in an amount not to exceed \$138,010 to provide food services for the period June 13, 2016 through August 12, 2016.

For questions regarding this report, please contact Sandra Taylor, Human Services Manager, at (510)238-7163.

Respectfully submitted,


SARA BEDFORD
Director, Human Services Department

CHILDREN AND YOUTH SERVICES DIVISION
Reviewed by: Sandra Taylor, Manager
Prepared by: Carmela Chase, Program Specialist

2016 APR 28 PM 2:08

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO 1) ACCEPT THE SUMMER FOOD SERVICE PROGRAM (SFSP) GRANT FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, NUTRITION SERVICES DIVISION IN AN ESTIMATED AMOUNT OF \$416,005 AND 2) ENTER INTO PROFESSIONAL SERVICE AGREEMENTS WITH THE SAN LORENZO UNIFIED SCHOOL DISTRICT IN AN AMOUNT NOT TO EXCEED \$90,612 AND REVOLUTION FOODS IN AN AMOUNT NOT TO EXCEED \$94,270 AND CHILDREN'S EMPOWERMENT INC., IN AN AMOUNT NOT TO EXCEED \$138,010 TO PROVIDE FOOD SERVICES FOR THE PERIOD JUNE 13, 2016 THROUGH AUGUST 12, 2016

WHEREAS, the City of Oakland desires to apply for and accept a Summer Food Service Program (SFSP) Grant in an estimated amount of \$416,005 from the California Department of Education Nutrition Services Division; and

WHEREAS, if the City is awarded the SFSP Grant, it wishes to negotiate and execute Professional Services Agreements with the San Lorenzo Unified School District, Revolution Foods and Children's Empowerment Inc. for the SFSP program term June 13, 2016 through August 12, 2016; and

WHEREAS, the San Lorenzo Unified School District, Revolution Foods and Children's Empowerment Inc. are certified by the California Department of Education Child Nutrition Division to provide food services to the SFSP for Children and successfully competed in a City Request for Proposal (RFP) process; and

WHEREAS, the City Council finds that the above named Professional Service Agreement shall not result in the loss of salary or employment by anyone having permanent status in competitive service; and

WHEREAS, the Fiscal Year (FY) 2015-2017 Adopted Budget for the SFSP for Children includes funding for this agreement; and

WHEREAS, in the FY2015-2017 adopted budget, the amount of \$416,005 has been appropriated to the Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), FY1516 Summer Food Program Project (G421040), and Strengthening Children, Youth and Families Program (YS13) for the purpose of operating the Summer Food Service Program for Children; and

WHEREAS, in order to align the adopted budget with program expenditures, staff requests authorization to reallocate appropriations in the amount of \$73,278 from personnel expenditure savings to operations and maintenance (O&M) costs; and

WHEREAS, the City wishes to offset all central services overhead charges in an estimated amount of \$17,569 associated with this grant, as has been done in all of the past years; now, therefore, be it

RESOLVED: That the City Administrator or a designated representative is hereby authorized and directed to apply for and accept SFSP grant funds in the estimated amount of \$416,005 from the California Department of Education Nutrition Services Division for the purpose of allocating said funds for the SFSP for the period beginning June 13, 2016 and ending August 12, 2016; and be it

FURTHER RESOLVED: That the agreement funds will be deposited in the Department of Education Fund (2102), Year Round Lunch Program Organization (78241), FY1516 Summer Food Program Project (G421040), and Strengthening Children, Youth and Families Program (YS13); and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator or a designated representative to negotiate and execute Professional Services Agreements with San Lorenzo Unified School District in an amount not to exceed \$90,612, Revolution Foods in an amount not to exceed \$94,270, and Children's Empowerment Inc. in an amount not to exceed \$138,010 to provide food services for the SFSP, and to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, modifications, payment requests, and related actions which may be necessary for the completion of the aforementioned grant without returning to City Council; and be it

FURTHER RESOLVED: That all Central Service Overhead associated with this grant in an estimated amount of \$17,569 will be offset through a contribution of the General Purpose Fund as approved in the FY2015-2017 Adopted Budget; and be it

FURTHER RESOLVED: That the FY2015-2016 Adopted Budget in the Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), FY1516 Summer Food Program Project (G421040) be adjusted to shift \$73,278 of personnel appropriations to vendor contract (\$58,339), advertising & supplies (\$1,420) private vehicle rentals (\$9,200), and City vehicle expenditures (\$4,319) in order to align with projected expenditures; and be it

FURTHER RESOLVED: That if additional funding becomes available from the grantor California Department of Education Nutrition Services Division, for the same purpose, within the existing grant term, the City Administrator is authorized to accept and appropriate these funds for the SFSP without returning to Council within the duration of the grant term June 13, 2016 to August 12, 2016; and be it

FURTHER RESOLVED: That the City Administrator or a designated representative is authorized to amend the above-referenced agreements to increase the amounts for the same purpose and same grant year, if additional grant funds become available, without returning to Council; and be it

FURTHER RESOLVED: That said agreements shall be approved as to form and legality by the Office of the City Attorney and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID and
PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California