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OAKLAND
2012 APR 17 AM 10:41

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Sara Bedford

SUBJECT: Summer Food Service Program 2012

DATE: April 6, 2012

City Administrator
Approval

Date:

4/9/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City Administrator: 1) to apply for, accept, and appropriate the Summer Food Service Program (SFSP) grant from the California Department of Education, Nutrition Services Division in an estimated amount of three hundred fifty seven thousand, one hundred thirty five dollars (\$357,135); and 2) to negotiate and execute a professional service agreement between the City and the San Lorenzo Unified School District in an amount not to exceed one hundred twenty six thousand, one hundred fifty dollars (\$126,150); and 3) to negotiate and execute a professional service agreement between the City and Revolution Foods in an amount not to exceed one hundred thirty three thousand, nine hundred eighty dollars (\$133,980) to provide food services for the 2012 Summer Food Service Program for children.

OUTCOME

Approval of the resolution will allow acceptance of the grant and execution of two professional services contracts, and as result will allow approximately 87,000 to 90,000 meals to be served during the summer break period between June 18 and August 17, 2012 for the Summer Food Service Program.

Item: _____
Life Enrichment Committee
April 24, 2012

EXECUTIVE SUMMARY

As a Summer Food Service Program sponsor, the City of Oakland receives a grant from the U.S. Department of Agriculture to provide nutritious and free lunches to children under the age of 18 during the summer. The City contracts with a vendor certified by the California Department of Education (DOE) to prepare and deliver the meals for the summer lunch program. The City receives the prepared meals and then delivers them to approximately eighty community sites in Oakland. It is estimated that approximately 87,000 to 90,000 meals will be served during the summer break period between June 18 and August 17, 2012. The City monitors each site to ensure that only meals served are reimbursed. The City is required to monitor each site and document compliance with all regulations for transporting, delivering and serving meals to meet the requirements of the reimbursement grant. The City is reimbursed at the rate of \$3.32 per lunch and \$0.78 per afternoon snack delivered in compliance with DOE Summer Food Program guidelines. The program is periodically audited by the California Department of Education.

The Department of Human Services (DHS) conducted a formal bidding process adhering to the California DOE guidelines for competitive bidding for food vendor selection and the City's own purchasing policies. The two vendors, Revolution Foods and San Lorenzo Unified School District, were selected based on their taste test rating, portion size, price per meal and the completeness of proposal.

The DOE has established the 2012 summer reimbursement rates for prepared lunches and administrative costs at \$3.32 per lunch and \$0.78 for afternoon snack. For the summer 2012 program, the selected vendor will be paid on a per meal basis for food preparation and delivery to a City facility. The actual amount of the reimbursement will be based on the number of meals delivered during the summer.

BACKGROUND/LEGISLATIVE HISTORY

The Summer Food Service Program (also known as the Oakland Summer Lunch Program) is regulated under Department of Agriculture (USDA) Title 7 CFR Part 225. The City of Oakland has been a sponsor of the Summer Food Service Program for the past 27 years. The purpose of the program is to provide children in low-income areas with free, nutritionally balanced lunches when they are not in school. By serving meals at community sites during the summer when many schools are closed, the program complements the free lunch program offered during the regular school year.

ANALYSIS

There are 46,584 students in the Oakland Unified School District (OUSD) and a majority of them are from low or moderate-income families. The DOE reports that in 2011, 32,811 (71%) of OUSD students qualified for free or reduced lunches. Last year, the Alameda County Community Food Bank's "Helpline" received approximately 3,000 requests per month during the summer for emergency food assistance. Summer food sites increased from 60 locations in 2010 to 81 in 2011. All summer food sites such as recreation centers, community-based and faith-based organizations experienced an increase of meals served during the last summer session. New partnerships with the libraries and cross promotion of literacy programs accompanied by free meals increased community attendance. The number of meals served has nearly doubled since the early 2000's, from 45,000 meals to 87,000 meals, as Oakland families experience high rates of unemployment and poverty.

An afternoon snack has been added this summer after feedback from community site staff. Many sites host programs into late afternoon but are unable to purchase snacks due to the cost. The addition of this element, which is reimbursable and at no additional cost for delivery, is a benefit for the children in these community programs.

In an effort to encourage local food vendors to bid on the City's contract for meal preparation and delivery, staff conducted a formal bidding process for vendor selection. A Request for Proposals (RFP) was advertised in the Oakland Tribune. Staff contacted four local Oakland food vendors to further awareness of the competitive bid process. Twenty companies received an announcement of the RFP, including the Oakland based vendors.

Each bidder was evaluated using the following criteria:

- Cost of summer lunches
- Higher level of nutritious meals
- Financial capability to perform a contract of the scope required
- Adequacy of plant facilities for food preparation, with approved license certification that facilities meet all applicable state and local health, safety and sanitation standards
- Location conducive to minimizing carbon footprint
- Previous experience of the bidder in performing services similar in nature and scope
- Transportation capability, sanitation and packing
- References
- Food samples
- Completeness of proposal

An objective of the SFSP is to increase the nutritional value of the lunches served. In order to assess cost effectiveness, two levels of meal options were identified for bidding purposes. Level "A" met the USDA guidelines as required by the National School Lunch Program and served as the base for level "B". Level "B" adds the standards of a minimum of 50% California grown food, no trans fats, no high fructose corn syrup, and that 100% of meat and dairy are antibiotic-free and hormone-free.

Item: _____
Life Enrichment Committee
April 24, 2012

Three vendors submitted sealed bids that were opened in a public meeting with a State representative from the Department of Education Nutrition Services.

Summer Food Service Program Bidders

- | | |
|--|-------------|
| 1. Epicurean Group | Oakland |
| 2. Revolution Foods | Oakland |
| 3. San Lorenzo Unified School District | San Lorenzo |

Bid price based on 100% of the contract – bid price per lunch

Company	Level A	Level B	Snack
Epicurean Group	No bid	No bid	No Bid
Revolution Foods	N/A	\$2.33	\$0.75
San Lorenzo Unified School District	\$2.10	\$2.15	\$0.75

Vendors had the option to change the bid price per meal for partial award of the contract because food production and delivery costs will be spread over fewer meals. Epicurean Group did not bid snack service or 100% of the contract, only a partial award.

Bid prices based on partial award of contract – bid price per lunch

Company	Level A	Level B	Snack
Epicurean Group	N/A	\$2.28	No Bid
Revolution Foods	N/A	\$2.33	\$0.75
San Lorenzo Unified School District	\$2.10	\$2.15	\$0.75

Vendors submitted food samples for an informal taste screening by a mixed panel of parents, teens, children, program coordinators and recreation center staff. Meals provided by San Lorenzo Unified School District and Revolution Foods rated highest in taste and portion size.

Taste Test highest rated meals

1. San Lorenzo Unified School District – Chicken Ranch Pasta Salad
2. Revolution Foods – Southwest Picnic Salad
3. San Lorenzo Unified School District - Taco Salad
4. San Lorenzo Unified School District – Sub Sandwich

Staff estimates that the Summer Food Service Program will serve between 87,000 to 90,000 meals during the 2012 session. All three vendors submitted a bid price for level b, the highest standard for nutritional content as requested in the RFP. San Lorenzo submitted the lowest bid for level B. Among the two local vendors, Revolution Foods was selected based on both the informal taste and the submission of a complete bid package. The financial projection using a split of 50% of meals provided by each vendor, and assuming 87,000 meals to be delivered, is provided below.

An objective of the program is to ensure that reimbursement revenues cover the cost of the program's operation. The total operating cost includes food costs, based on the bid price per vendor, as well as expenditures for seven drivers, eight monitors, vehicles, distribution facility and administrative costs. Projected grant reimbursement revenues of \$357,135, based on the state reimbursement rate of \$3.32 per lunch and \$0.78 per snack, are applied against the program's total operating costs.

Based on 87,000 meals	Lowest Bid Level B	Local Vendor Level B	
	San Lorenzo Unified School District 50%	Revolution Foods 50%	
Bid Price per lunch	\$2.15	\$2.33	
Bid Price per snack	\$0.75	\$0.75	
Total Food Costs	\$126,150	\$133,980	\$260,130
Total Food and Operating Costs			\$356,424
Revenue			\$357,135
Net			\$711

Based on service of 87,000 meals, splitting the contract 50-50% would result in a small net gain of \$711, assuming full reimbursement of the City's meal claims.

ALTERNATIVES

There are multiple alternatives possible in the selection of the food service vendor:

- 1) The City may choose the lowest price vendor, San Lorenzo Unified School District, to provide 100% of the meals. The City would pay \$2.15 per lunch and \$.75 per snack for the projected 87,000 lunches and 87,000 snacks delivered. The City would receive \$357,135 (\$3.32 per lunch and \$.78 per snack) in grant reimbursement revenues, to cover projected food costs (based on \$2.15 per lunch) and program administrative costs for a total of \$348,594, **resulting in a projected net gain of \$8,540. Both local Oakland vendors would be omitted from participation in Oakland's summer lunch program.**

- 2) The City may choose the local vendor that submitted the lowest bid, Epicurean. However, Epicurean chose not to submit a bid bond with their proposal, limiting their contract to \$100,000. It should also be noted that Epicurean rated lowest of the three vendors on the taste test but did not submit a complete and accurate bid proposal by omitting a signature on the Meal Pattern form agreement and changing the formula provided to calculate the bid.
 - a) If the City were to award 50% of the lunches to Epicurean Foods at the per lunch price of \$2.28 and 50% of the lunches to Revolution Foods at the per lunch price of \$2.33, the total program costs of \$362,079 would exceed grant reimbursement revenues, ***resulting in a projected loss of \$4,944.***
 - b) If the City were to award 50% of the lunches to Epicurean Foods at the per lunch price of \$2.28 and 50% of the lunches to San Lorenzo at the per lunch price of \$2.15, ***there is a projected net gain of \$2,886.***
- 3) The City may choose the Oakland based vendor Revolution Foods to provide 100% of meals. If the City were to award 100% of the meals to Revolution Foods at the per meal bid price of \$2.33, the total program cost is projected to be \$364, 254 ***resulting in a net program loss of \$7,119.***

PUBLIC OUTREACH/INTEREST

Public outreach is 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 number for residents to use to find the location of a SFSP site.

COORDINATION

Contract Compliance provided an availability analysis of the database of certified local and small firms to determine if the Local and Small Local Business Enterprise (L/SLBE) program would apply to this project. L/SLBE requires that there be at least 3 certified firms listed in the industry, trade or profession that constitutes a major category of work. The minimum participation requirement was not met and was thereby waived on this project.

COST SUMMARY/IMPLICATIONS

The total project cost is estimated to be \$356,424. The summer food program is operated with 7 drivers and 8 part-time monitors. The breakdown of program costs is as follows:

\$ 64,504.49 Labor
\$ 260,130.00 Food service (inc. delivery to the City's site)
\$ 31,790.00 Other (inc. vehicle, facility and administrative costs)

The program is funded through a reimbursement grant from the Department of Agriculture. The grantor does not reimburse for overhead charges. There is an offset of \$21,147 in the general fund adopted budget for overhead charges. There is no additional impact on the general fund.

FISCAL/POLICY ALIGNMENT

The estimated grant funding will be appropriated to Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), Summer Food Program Service FY 2011-12 Project (G420910), and Strengthening Children, Youth and Their Families Program (YS13) for reimbursement for services provided under the grant agreement with the California Department of Education (DOE) Nutrition Services Division. The Adopted Budget for FY 2011-2012 includes the appropriation of \$357,135 for the grant and the total amount of \$260,130 available for services under the professional service agreements with the San Lorenzo Unified School District and Revolution Foods.

Approval of the resolution will have no impact on the City's General Fund. Due to the City's commitment to the procurement of services from local vendors, a portion of the contract is recommended for the local vendor who scored higher in the taste test, Revolution Foods.

The grantor does not reimburse overhead charges. The Adopted Budget for FY 2011-2012 includes an offset of overhead charges in the amount of \$21,147.

SUSTAINABLE OPPORTUNITIES

Economic: The Summer Food Service Program provides temporary part-time employment opportunities for eight drivers and eight monitors.

Environmental: Recycled materials are used to package all meals provided to the lunch program.

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.

CEQA

This report is not a project under CEQA.

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

Respectfully submitted,


SARA BEDFORD
Interim Director/Dept. of Human Services

Reviewed by:

Sandra Taylor, Children & Youth Services Manager

Prepared by:

Carmela Chase, Program Analyst
Children & Youth Services Division

Item: _____
Life Enrichment Committee
April 24, 2012

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality

M. Morodoni

Oakland City Attorney's Office

2012 APR 17 AM 10:41

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR: 1) TO APPLY FOR, ACCEPT, AND APPROPRIATE THE SUMMER FOOD SERVICE PROGRAM GRANT FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, NUTRITION SERVICES DIVISION IN AN ESTIMATED AMOUNT OF THREE HUNDRED FIFTY SEVEN THOUSAND, ONE HUNDRED THIRTY FIVE DOLLARS (\$357,135); AND 2) TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY AND THE SAN LORENZO UNIFIED SCHOOL DISTRICT IN AN AMOUNT NOT TO EXCEED ONE HUNDRED TWENTY SIX THOUSAND, ONE HUNDRED FIFTY DOLLARS (\$126,150); AND 3) TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY AND REVOLUTION FOODS IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THIRTY THREE THOUSAND, NINE HUNDRED EIGHTY DOLLARS (\$133,980) TO PROVIDE FOOD SERVICES FOR THE 2012 SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

WHEREAS, the City of Oakland desires to apply for, accept, and appropriate a Summer Food Service Program Grant in an estimated amount of \$357,135 from the California Department of Education Nutrition Services Division; and

WHEREAS, if the City is awarded the Summer Food Service Program Grant, it wishes to negotiate and execute Professional Services Agreements with the San Lorenzo Unified School District and Revolution Foods to provide food services to the Summer Food Service Program for Children for program year 2012 (June 18, 2012 through August 17, 2012); and

WHEREAS, the San Lorenzo Unified School District and Revolution Foods are each certified by the California Department of Education Child Nutrition Division, to provide food services to the Summer Food Service Program for Children; and

WHEREAS, the City Council finds that the above named Professional Service Agreements are in the public interest because of economy; and

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

WHEREAS, the FY 2011-2012 Adopted Budget for the Summer Food Service Program for Children includes funding for this agreement; now, therefore, be it

RESOLVED: That the City Administrator or his designee as agent of the City of Oakland is hereby authorized and directed to submit on behalf of the City of Oakland an application to the Department of Education Nutrition Services Division for funds to operate a Summer Food Service Program for Children in the City of Oakland from June 18, 2012 through August 17, 2012 and to execute and submit all documents, including but not limited to agreements, amendments, and payment requests which may be necessary to obtain funds to operate such a program and to accept said funds; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized and directed to appropriate any additional funding which may become available from this grant; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or his designee as an agent for the City to negotiate and execute a Professional Services Agreement with San Lorenzo Unified School District in an amount not to exceed \$126,150 to provide food services to the Summer Food Service Program for Children; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or his designee as an agent for the City to negotiate and execute a Professional Services Agreement with Revolution Foods in the amount not to exceed \$133,980 to provide food services to the Summer Food Service Program for Children; and be it

FURTHER RESOLVED: That the sum of \$357,135 and offsetting revenue shall be appropriated to Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), Summer Food Program Service FY 1011 Project (G420910), and Strengthening Children, Youth and their Families Program (YS13) for the purpose of operating the Summer Food Service Program for Children; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to approve any subsequent amendments to or extensions of said Professional Services Agreements not including any increase in compensation provided that such amendments or extensions shall be approved by the City Attorney's Office and shall be filed with the City Clerk's office.

IN COUNCIL, OAKLAND, CALIFORNIA _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and
PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California