

2017 APR 13 PM 3:39



CITY OF OAKLAND

## AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Sara Bedford  
Director, Human Services

**SUBJECT:** 2017 Summer Food Service Program

**DATE:** April 7, 2017

City Administrator Approval

Date:

4/13/17

### 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 \$418,500; 2) Enter Into Agreements With Uptons, Inc., dba School Foodies In An Amount Not To Exceed \$102,060 And With San Lorenzo Unified School District In An Amount Not To Exceed \$122,400 And With Revolution Foods In An Amount Not To Exceed \$109,890 To Provide Food Services For The Period June 12, 2017 Through August 11, 2017; And 3) Accept And Appropriate Additional SFSP Grant Money That Becomes Available And Amend The Agreements To Increase The Grant Amount Within The Grant Term Of June 12, 2017 Through August 11, 2017.

### 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 \$418,500 to the Human Services Department (HSD) to reimburse the City's Summer Food Service Program for the provision of 90,000 free lunches and 90,000 free snacks to Oakland children and the delivery of the meals to City and community sites during the grant period from June 12, 2017 to August 11, 2017. Staff also recommends that the City Council authorize agreements with Uptons, Inc. dba School Foodies, San Lorenzo Unified School District (SLZUSD), and Revolution Foods to provide food vendor services for the 2017 Summer Food Service Program for children.

Item: \_\_\_\_\_  
Life Enrichment Committee  
April 25, 2017

## **BACKGROUND / LEGISLATIVE HISTORY**

About one-third of Oakland children live in families with income below the Federal poverty level. 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 85,888 lunches and 91,298 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 provided meals to community sites, including 17 recreation centers, nine libraries, and another 42 community based and faith based programs for children.

The SFSP is regulated under United States Department of Agriculture (USDA) Title 7 Code of Federal Regulations (CFR) Part 225 and 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.

As a sponsor, the City contracts with vendors to 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 2017, the City will be reimbursed for meals delivered in compliance with SFSP administrative guidelines and served directly to children at the rate of \$3.77 per lunch and \$0.88 per afternoon snack.

## **ANALYSIS AND POLICY ALTERNATIVES**

**Vendor Selection:** The HSD conducted a formal Request for Proposal (RFP) process to adhere to City purchasing policies and CDE guidelines requiring a competitive process for food vendor selections. The RFP was issued on February 24, 2017. Four vendors submitted complete bids. After the withdrawal of one vendor, three vendors were considered in the selection of SFSP meal providers.

Vendors had the option to bid on full or partial award of the program with or without delivery to all the SFSP sites. Table 1 below shows all three vendors submitted bids for delivery to the SFSP distribution center. From the distribution center, SFSP drivers sort lunches and snacks as ordered by each site and load meals in refrigerated vehicles for delivery to program sites.

**Table 1: Bid Price for Delivery to SFSP**

<b>Vendor</b>	<b>Center Delivery</b>	<b>Lunch</b>	<b>Snack</b>
San Lorenzo Unified School District	Full/Partial	\$2.60	\$0.80
Revolution Foods	Full/Partial	\$2.65	\$0.80
Uptons, Inc. dba School Foodies	Full/Partial	\$2.82	\$0.80

As SFSP has expanded, City delivery is increasingly difficult due to the need to sort and deliver meals to up to 72 sites by 12:00 pm noon for lunch service, and the additional cost of renting several refrigerated vehicles for delivery. Two vendors were asked to consider delivery directly to sites and submitted the additional prices per meal shown in Table 2.

**Table 2: Bid Price for Partial Delivery to Sites**

Vendor	Direct Delivery	Lunch	Snack
Revolution Foods	Up to 20 Sites	\$3.15	\$0.92
Revolution Foods	Up to 33 Sites	\$3.75	\$0.95
Uptions, Inc. dba School Foodies	Up to 24 Sites	\$2.98	\$0.80

Revolution Foods offered to provide delivery to 33 sites at a high price bid of \$3.75 per lunch and \$0.95 per snack, and delivery to 20 sites at the price of \$3.15 per lunch and \$0.92 per snack. Uptions, Inc. dba School Foodies offered to deliver directly to up to 24 sites at a proposed rate of \$2.98 per meal.

SFSP considered options for contracting with two or three vendors to incorporate direct delivery to sites and keep the cost of the program down. The cost projections below incorporate the delivery options presented by both Uptions, Inc. dba School Foodies and Revolution Foods resulting in increased food cost but decreased SFSP operating costs due to fewer drivers and refrigerated vehicles. For comparison, the cost for the City to receive all meals from the lowest price vendor is based on San Lorenzo's bid and shown as option one in Table 3.

**Table 3: Cost Projections for Selected Delivery Options**

Options for Delivery		Food Cost	SFSP Driver/Vehicle Costs	Total	Cost Increase/Decrease from Distribution Center Drop
1	San Lorenzo -100 percent delivery to SFSP Distribution Center	\$306,000	\$54,299	\$360,299	\$ 0
2	San Lorenzo - 70%/Uptions, Inc. dba School Foodies - 30% split	\$316,260	\$41,973	\$358,233	\$(2,066)
3	San Lorenzo - 40% /Uptions, Inc. dba School Foodies 30%/Revolution Foods 30% split	\$334,350	\$27,051	\$361,402	\$1,103
4	Revolution Foods – 50%/Uptions, Inc. dba School Foodies 30%/San Lorenzo 20% split	\$374,760	\$27,051	\$401,811	\$41,513

In option two, Uptons, Inc. dba School Foodies has offered to deliver to up to 24 sites requiring two delivery vehicles and two drivers and increasing their costs to \$2.98 per meal. SFSP would offset the higher food cost with 70/30 percent split of the program between San Lorenzo which has the lowest price per meal of \$2.60 and Uptons, Inc. dba School Foodies offer of delivery. The total cost for food is \$316,260. The increased cost for food is \$10,260, but is fully offset by a reduction in SFSP cost of two drivers and two rental vehicles by \$12,536. Option three would split the food delivery by all three vendors in an attempt to incorporate delivery by Revolution Foods up to 20 sites and delivery by Uptons, Inc. dba School Foodies to their capacity up to 24 sites. Each vendor delivery component should eliminate two driver routes for SFSP. The net change with delivery by both Uptons, Inc. dba School Foodies and Revolution Foods is approximately \$1100. The additional option four further maximizes delivery with Revolution Foods receiving 50 percent of the contract and delivering to 33 sites at higher prices of \$3.75 per lunch and \$.95 per snack and would result in higher costs in excess of \$40,000. In option four, Uptons, Inc. dba School Foodies delivers 30 percent of meals and San Lorenzo provides the balance of 20 percent of meals to the SFSP drop center, resulting in a net increase of \$41,513 over the base cost of delivery at the drop center by the lowest bidder.

The optimal option to minimize program costs and incorporate delivery is option three, to include food vending agreements with the three vendors based on San Lorenzo receiving 40 percent of meals dropped at the SFSP Center, and Uptons, Inc. dba School Foodies and Revolution Foods delivering 30 percent of the meals directly to sites. If the delivery approximates 60 percent of meals, total program costs are maintained within a few thousand dollars due to savings from labor and renting vehicles.

In addition to price, vendors were rated on menu and food appeal, capacity to deliver meals, and past performance with the City of Oakland. Two vendors have a strong past performance history with Oakland SFSP. San Lorenzo Unified School District submitted the lowest price bid for lunch and scored well on food appeal, and has a strong past history with SFSP. Revolution Foods is an Oakland based company that submitted the next lowest bid for lunch and has a solid history of performance from last summer. Revolution Foods' food sample submission was rated very poorly. Uptons, Inc. dba School Foodies is based in Alameda, was rated highest on the food submission and would be a new vendor to Oakland SFSP. Uptons, Inc. dba School Foodies has a good track record with other agencies but no prior history with Oakland SFSP.

The overall ratings for the vendors are shown in Table 4 based on original submission of price per meal. The appeal of food is also an important consideration. Since Uptons, Inc. dba School Foodies submitted well received food samples and has capacity to support delivery directly to site, it is rated comparably well with San Lorenzo and Revolution Foods.

**Table 4: SFSP Ratings for Vendors**

Category	Max. Score	SLZUSD	Uptons, Inc. dba School Foodies	Revolution Foods
Price	30	30	20	27
Menu / Samples	20	15	18	10
Capacity	25	20	25	25
<b>Subtotal</b>	<b>75</b>	<b>65</b>	<b>63</b>	<b>62</b>
Past Performance	25	25	N/A	23
<b>Total</b>	<b>100</b>	<b>90</b>	<b>N/A</b>	<b>85</b>

*Policy Alternatives*

<b>Alternative #1</b>	Reject the recommendation for all three vendors.
<b>Pros</b>	The alternative of one or two vendors will reduce the work related to communicating with three and the increased coordination required to provide site changes and routing updates to delivery schedules.
<b>Cons</b>	Direct delivery can be maximized to 80 percent of meals with two vendors but requires a substantial increase in cost.
<b>Reason for not recommending</b>	The recommendation for all three vendors will increase delivery to 60 percent of meals with minimal increase in total program cost.

**FISCAL IMPACT**

The total cost to implement the 2017 SFSP is approximately \$512,958 funded primarily by the SFSP grant from the CDE along with a portion of funding from the General Purpose Fund and donations. The appropriation for the SFSP grant is included in the Fiscal Year (FY) 2016-2017 Adopted Budget in the Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), FY 2016-2017 Summer Food Program Project (1000340), and Award (21428). In addition, a contribution from the general purpose fund to offset central service overhead costs in an estimated amount of \$19,751 has been approved in the Adopted Budget.

The grant reimbursement revenues of \$418,500 are projected based on 90,000 lunches and 90,000 snacks. The projected cost for vendor contracts to provide the meals of \$334,350 exceeds the budgeted amount and should be adjusted in the amount of \$69,797. In addition, projected advertising expenditures of \$800 were not included in the Adopted Budget. Therefore, an adjustment of approximately \$95,997 to reallocate appropriations from personnel savings to vendor contracts (\$69,797), advertising (\$800), and private vehicle rentals (\$25,400) is required in order to properly align summer food program costs. Table 5 summarizes SFSP costs based on these changes.

**Table 5: Total Estimated Actual Cost for the SFSP 2017**

Cost Category		Adjustment Amount
Admin/Labor Costs	Salaries & Fringe Benefits	\$71,125
Food Vendor Costs	Lunch & Snack	334,350
Refrigerated Trucks Rentals		16,000
Auto Rentals		9,400
Office Supplies/ Cell Phone/Duplicating		5,300
Advertising /Oakland Tribune		800
Delivery Vans and Monitors Cars	City Vehicles	10,751
<b>Sub-Total Program Expenditures</b>		<b>\$447,726</b>
<b>Department Overhead</b>		<b>7,580</b>
<b>Overhead Central Services</b>		<b>19,751</b>
<b>City Internal Service Fund Charges</b>		<b>37,901</b>
<b>Total Estimated FY1617 Summer Food Costs</b>		<b>\$512,958</b>

**Table 6: Funding Source for SFSP 2017**

Fund Source	Org.	Project	Award	Amount
CED SFSP Grant (2102/G41050)	78241	1001340	21429	\$418,500
GPF One-Time Subsidy (1010)	78241	1001340		66,775
CSO Subsidy (2102)	78241	1001340		19,751
AC-OCAP (2128/G485010)	78363	1001402	21217	5,000
Grant/ Donations (2994/A490310)	78241	1001396	21711	21,802
Grant/Donations (2994)	78241	1000545		18,732
<b>Total</b>				<b>\$550,560</b>

A grant from Alameda County - Oakland Community Partnership has been awarded in the amount of \$5,000 and will fund the SFSP 2017 deposited to Year Round Lunch Program Organization (78241), to offset the food vendor costs for SFSP 2017. Donations in Private Party Account (46411) and HSD Donations Summer Food Program Projects (1001396, 1000545) are also available to offset the food vendor costs for SFSP 2017. The excess of funding sources shown in Table 6 over estimated costs shown in Table five allows an amount of approximately \$37,000 for program contingencies.

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 Life Enrichment Committee  
 April 25, 2017

## **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 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. The SFSP is partnering with other organizations in a citywide "Hunger Free Summer" Campaign with the goal of increased participation and awareness of free meal sites and meets monthly with The Food Bank, Oakland Unified School District, the Oakland Public Library, Oakland's Parks and Recreation, Social Services and Alameda County Oakland Community Action Partnership.

## **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 2016 summer session vendors, Revolution Foods and San Lorenzo Unified School District, delivered meals on time and at safe temperatures to the SFSP distribution center. The vendors and SFSP staff kept accurate records of the meals ordered and received, the temperature of meals upon delivery, and packaging. In 2017, vendors will be monitored to ensure timely delivery of meals, control of temperature during delivery, and delivery of complete and undamaged meals. The SFSP program will also assess the quality of meals provided through surveys and site compliance through site visits. Vendors' facilities will be reviewed by the California Department of Education Nutrition Services Division.

## **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 provides 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 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 \$418,500; 2) Enter Into Agreements With Uptons, Inc., dba School Foodies In An Amount Not To Exceed \$102,060 And With San Lorenzo Unified School District In An Amount Not To Exceed \$122,400 And With Revolution Foods In An Amount Not To Exceed \$109,890 To Provide Food Services For The Period June 12, 2017 Through August 11, 2017; And 3) Accept And Appropriate Additional SFSP Grant Money That Becomes Available And Amend The Agreements To Increase The Grant Amount Within The Grant Term Of June 12, 2017 Through August 11, 2017.

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

Respectfully submitted,

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SARA BEDFORD  
Director, Human Services Department

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

Item: \_\_\_\_\_  
Life Enrichment Committee  
April 25, 2017



2017 APR 13 PM 3:40

OAKLAND CITY COUNCIL

  
City Attorney

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 \$418,500; 2) ENTER INTO AGREEMENTS WITH UPTONS, INC. DBA SCHOOL FOODIES IN AN AMOUNT NOT TO EXCEED \$102,060 AND WITH SAN LORENZO UNIFIED SCHOOL DISTRICT IN AN AMOUNT NOT TO EXCEED \$122,400 AND WITH REVOLUTION FOODS IN AN AMOUNT NOT TO EXCEED \$109,890 TO PROVIDE FOOD SERVICES FOR THE PERIOD JUNE 12, 2017 THROUGH AUGUST 11, 2017; AND 3) ACCEPT AND APPROPRIATE ADDITIONAL SFSP GRANT MONEY THAT BECOMES AVAILABLE AND AMEND THE AGREEMENTS TO INCREASE THE GRANT AMOUNT WITHIN THE GRANT TERM OF JUNE 12, 2017 THROUGH AUGUST 11, 2017

**WHEREAS**, the City of Oakland desires to apply for and accept a Summer Food Service Program (SFSP) Grant in an estimated amount of \$418,500 from the California Department of Education Nutrition Services Division; and

**WHEREAS**, the City uses the SFSP grant to reimburse the City's Summer Food Service Program for the provision of 90,000 free lunches and 90,000 free snacks to Oakland children and the delivery of the meals to City and community sites during the grant period from June 12, 2017 to August 11, 2017; and

**WHEREAS**, if the City is awarded the SFSP Grant, it wishes to negotiate and execute agreements with School Foodies, San Lorenzo Unified School District, and Revolution Foods for the SFSP program term June 12, 2017 through August 11, 2017; and

**WHEREAS**, School Foodies, San Lorenzo Unified School District and Revolution Foods 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 Administrator has determined that the above named Professional Service Agreements are of a professional and temporary nature and shall not result in the loss of salary or employment by anyone having permanent status in competitive civil 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 FY 2015-2017 Adopted Budget, the amount of \$418,500 has been appropriated to the Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), YEAR17 Summer Food Program Project (1001340), Award (21428), 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 \$95,997 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 \$19,751 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 to apply for and accept and SFSP grant funds in the amount of \$418,500 from the California Department of Education Nutrition Services Division for the purpose of allocating said funds for the SFSP for the period beginning June 12, 2017 and ending August 11, 2017; and be it

**FURTHER RESOLVED:** That the SFSP agreement funds will be deposited in Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), YEAR17 - Summer Food Program Project (1001340), and Award (21428); and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to enter into an agreement with San Lorenzo Unified School District in an amount not to exceed \$122,400 to provide food services for the SFSP from June 12, 2017 to August 11, 2017; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to enter into a professional service agreement with Uptons Inc., dba School Foodies in an amount not to exceed \$102,060 to provide food services for the SFSP from June 12, 2017 to August 11, 2017; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to enter into a professional service agreement with Revolution Foods in an amount not to exceed \$109,890 to provide food services for the SFSP from June 12, 2017 to August 11, 2017; and be it

**FURTHER RESOLVED:** That the City Administrator is hereby authorized 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 SFSP grant without returning to City Council, including amending the aforementioned agreements to increase the grant amounts so long as the total amount of all three agreements does not exceed the state SFSP grant amount; and be it

**FURTHER RESOLVED:** That based on information provided by the City Administrator, the Council finds that these professional service agreements are of a professional and temporary nature and shall not result in the lost of employment or salary by any person having permanent status in the competitive civil service; and be it

**FURTHER RESOLVED:** That all Central Service Overhead charges associated with this grant in an estimated amount \$19,751 will be offset through a contribution of the General Purpose Fund as approved in the FY 2015-2017 Adopted Budget; and be it

**FURTHER RESOLVED:** That the FY 2015-2017 Adopted Budget in the Department Of Agriculture Fund (2101), Year Round Lunch Program Organization (78241), YEAR17 Summer Food Program Project (1001340) be adjusted to shift approximately \$95,997 of personnel appropriations to vendor contract (\$69,797), advertising (\$800) and private vehicle rentals (\$25,400), 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 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 12, 2017 to August 11, 2017; and be it

**FURTHER RESOLVED:** That the City Administrator 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, GIBSON-MCELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
**LATONDA SIMMONS**  
City Clerk and Clerk of the Council  
of the City of Oakland, California