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AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Sara Bedford

SUBJECT: 2013 Summer Food Service Program

DATE: March 28, 2013

City Administrator
Approval

Deanna Santana

Date:

4/2/13

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 eighty thousand, seven hundred five dollars (\$380,705); 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 seventy five thousand, two hundred fifty six dollars (\$175,256) to provide food services for the 2013 Summer Food Service Program for children; and 3) to negotiate and execute a professional service agreement between the City and Epicurean Group in an amount not to exceed ninety eight thousand, twenty one dollars (\$98,021) to provide food services for the 2013 Summer Food Service Program for children.

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 and snacks 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 ninety community sites in Oakland. It is estimated that approximately 90,000 to 92,000 lunches and 80,000 to 82,000 snacks will be served during the period between June 17 and August 16, 2013.

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 \$3.41 per lunch and \$0.80 per afternoon snack delivered in

Item: _____
Life Enrichment Committee
April 23, 2013

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. Only two vendors, Epicurean Group and San Lorenzo Unified School District, submitted bids to provide vendor services for the SFSP. Both were selected based upon bid price per meal and the objective of including Epicurean as a local vendor.

The DOE has established the 2013 summer reimbursement rates for prepared lunches and administrative costs at \$3.41 per lunch and \$0.80 for afternoon snack. For the summer 2013 program, the selected vendors 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.

OUTCOME

Approval of the resolution will allow acceptance of the grant and execution of two professional services contracts, and as a result will allow approximately 92,000 lunches and 82,000 afternoon snacks to be served during the summer break period between June 17 and August 16, 2013 in the Oakland Summer Food Service Program.

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 28 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

The number of lunches served has doubled since the early 2000's, from 45,000 lunches to 92,000 lunches, as Oakland families experience high rates of unemployment and poverty. The DOE reports that in 2011, 71% or 32,811 of the Oakland Unified School District's 46,472 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, with the majority of requests coming from families with children.

Summer food program sites increased from 60 locations in 2010 to 96 in 2012. All summer food sites, such as recreation centers, libraries, community-based and faith-based organizations, experienced an increase in meals served during the last summer session. Partnerships with the libraries and cross promotion of literacy programs accompanied by free meals increased community attendance. An afternoon snack program is now provided to those sites interested. Many sites host programs into late afternoon but are unable to purchase snacks due to the cost.

Afternoon snacks are reimbursable and, at no additional cost for delivery, 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 outreach to announce the formal bidding process for vendor selection. A Request for Proposals (RFP) was advertised in the Oakland Tribune. Staff contacted 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.

Vendors had the option to bid on 100% of the contract or to bid on partial award of the contract. The Department of Education SFSP guidelines require that vendors provide a bid bond for contracts of \$100,000 or more. 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. Two vendors submitted sealed bids that were opened in a public meeting with a State representative from the Department of Education Nutrition Services.

The San Lorenzo Unified School District was the only bidder for 100% of the contract. The agency has been a long time vendor for the Oakland SFSP.

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
San Lorenzo Unified School District	\$2.20	\$2.25	\$0.75

The Epicurean Group bid on partial award of the SFSP vendor contract and did not provide a bid bond. As required by the California Department of Education, their contract will not exceed \$99,999.

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

Company	Level A	Level B	Snack
Epicurean Group	No bid	\$2.34	\$0.79
San Lorenzo Unified School District	\$2.20	\$2.25	\$0.75

Staff estimates that the Summer Food Service Program will serve between 90,000 to 92,000 meals during the 2013 session. Both 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. If 100% of the vendor service is awarded at the lowest bid price for 92,000 lunches and 82,000 snacks, the program cost for food service will approximate \$268,500. Using a split of 65% of the award to San Lorenzo and 35% to Epicurean Group results in a higher food cost of \$273,277, but will allow local vendor participation.

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

The City Attorney's Office, Budget Office, and DHS fiscal services division were consulted in the preparation of this report and resolution.

COST SUMMARY/IMPLICATIONS

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 nine drivers, nine monitors, vehicles, distribution facility and administrative costs. Projected grant reimbursement revenues of \$380,705, based on the state reimbursement rate of \$3.41 per lunch and \$0.80 per snack, are expected to cover program operating costs. The summer food program is operated with part-time drivers and monitors. The breakdown of program costs is as follows:

Item: _____
Life Enrichment Committee
April 23, 2013

\$ 273,277 Food service (inc. delivery to the City's site)
\$ 107,428 Labor /Other (inc. vehicle, facility and administrative costs)

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 2012-13 Project (G421010), 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 2012-2013 includes the appropriation of \$380,705 for the grant and the total amount of \$273,277.25 available for services under the professional service agreements with the San Lorenzo Unified School District and Epicurean Group.

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, Epicurean Group.

The grantor does not reimburse overhead charges and an overhead waiver in an estimated amount of \$22,816 is needed.

SUSTAINABLE OPPORTUNITIES

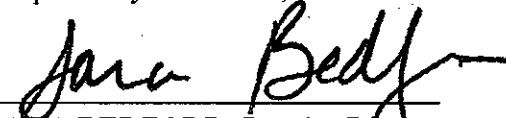
Economic: The Summer Food Service Program provides temporary part-time employment opportunities for nine drivers and nine monitors.

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.

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

Respectfully submitted,


SARA BEDFORD, Interim Director
Department of Human Services

Reviewed by: Sandra Taylor, Manager
Children & Youth Services

Prepared by: Carmela Chase, Program Analyst
Children & Youth Services Division

Item: _____
Life Enrichment Committee
April 23, 2013

2013 APR 11 AM 8:56


Oakland City Attorney's Office

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 EIGHTY THOUSAND, SEVEN HUNDRED FIVE DOLLARS (\$380,705); 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 SEVENTY FIVE THOUSAND, TWO HUNDRED FIFTY SIX DOLLARS (\$175,256) TO PROVIDE FOOD SERVICES FOR THE 2013 SUMMER FOOD SERVICE PROGRAM FOR CHILDREN; AND 3) TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY AND EPICUREAN GROUP IN AN AMOUNT NOT TO EXCEED NINETY EIGHT THOUSAND, TWENTY ONE DOLLARS (\$98,021) TO PROVIDE FOOD SERVICES FOR THE 2013 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 \$380,705 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 Epicurean Group to provide food services to the Summer Food Service Program for Children for program year 2013 (June 17, 2013 through August 16, 2013); and

WHEREAS, the San Lorenzo Unified School District and Epicurean Group 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 successfully competed in a City RFP process; 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 City wishes to waive all central services overhead charges in an estimated amount of \$22,816 associated with this grant, as has been done in all of the past years; and

WHEREAS, the FY 2012-2013 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 her designee 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 17, 2013 through August 16, 2013 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 all central services overhead charges associated with this grant in an estimated amount of \$22,816 will be waived; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or her designee to negotiate and execute a Professional Services Agreement with San Lorenzo Unified School District in an amount not to exceed \$175,256 to provide food services to the Summer Food Service Program for Children for the 2013 program year; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or her designee to negotiate and execute a Professional Services Agreement with Epicurean Group in the amount not to exceed \$98,021 to provide food services to the Summer Food Service Program for Children for the 2013 program year; and be it

FURTHER RESOLVED: That the sum of \$380,705 and offsetting revenue shall be appropriated to Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), Summer Food Program Service FY 2012-2013 Project (G421010), 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, GALLO, GIBSON McELHANEY, KALB, KAPLAN, SCHAAF, REID and PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

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