

CITY OF OAKLAND

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OAKLAND

2018 APR 26 PM 1:57

AGENDA REPORT


TO: Sabrina B. Landreth
City Administrator

FROM: Sara Bedford
Director, Human Services

SUBJECT: 2018 Summer Food Service Program

DATE: April 16, 2018

City Administrator Approval

 Date: 4/25/18

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 Amount Not To Exceed \$381,400; 2) Enter Into Professional Service Agreements With Uptons, Inc. dba School Foodies In An Amount Not To Exceed \$148,544 And With Revolution Foods In An Amount Not To Exceed \$208,768 To Provide Food Services For The Period June 11, 2018 Through August 18, 2018; 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 11, 2018 Through August 18, 2018; 4) Adjust The FY 2017-2018 Adopted Budget To Transfer Salary Savings In The Amount Of Approximately \$103,268 To Fund Operations And Maintenance; And 5) Authorize A Contribution From The General Purpose Fund In An Estimated Amount Of \$19,548 For FY 2018-2019 Central Services Overhead Charges.

EXECUTIVE SUMMARY

Adoption of this resolution will authorize 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 \$381,400 to the Human Services Department (HSD) to reimburse the City's Summer Food Service Program for the provision of 80,000 free lunches and 80,000 free snacks to Oakland children and the delivery of the meals to City and community sites during the grant period from June 11, 2018 to August 18, 2018.

Staff further recommends that the City Council authorize agreements with Uptons, Inc. dba School Foodies and Revolution Foods to provide food vendor services for the 2018 Summer Food Service Program for children.

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BACKGROUND / LEGISLATIVE HISTORY

Currently, about 75 percent of the Oakland Unified School District's students qualify for free or reduced lunches during the school year. The purpose of the City of Oakland's Summer Food Service program is to provide children in low-income areas with free, nutritionally balanced meals during the summer months when they are not in school.

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 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.

ANALYSIS AND POLICY ALTERNATIVES

About one-third of Oakland children live in families with income below the Federal poverty level. The SFSP provided 71,888 lunches and 75,298 snacks to children last summer to combat hunger and ensure that children receive nutritional meals during the summer when not in school. The SFSP vendors and part-time drivers deliver the meals for children to community sites, including 17 recreation centers, nine libraries, and 40 community based or faith based programs.

The City contracts with vendors to prepare the lunches and snacks for delivery either to the SFSP distribution center or direct to community sites. The HSD monitors all sites and ensures compliance with all regulations for transporting, delivering, and serving meals. In 2018, the City will be reimbursed for meals delivered in compliance with SFSP administrative guidelines and served directly to children at the rate of \$3.8575 per lunch and \$0.91 per afternoon snack.

Vendor Selection

Four vendors submitted bids in response to the RFP issued on March 8, 2018. Vendors had the option to bid on full or partial award of the program with or without delivery to all the SFSP sites. **Tables 1 and 2** below show the bid prices submitted for delivery to the SFSP distribution center and for delivery direct to the sites, respectively.

Table 1: Bid Price for Delivery to SFSP Distribution Center

Vendor	Center Delivery	Lunch	Snack
San Lorenzo Unified School District	Full/Partial	\$2.65	\$0.80
Revolution Foods	Full/Partial	\$3.24	\$0.91
Preferred Meals	Full	\$2.95	\$0.80

Table 2: Bid Price for Delivery Direct to Sites

Vendor	Direct Delivery	Lunch	Snack
Revolution Foods	Full/Partial	\$3.75	\$0.91
School Foodies	Partial	\$3.32	\$0.90

When the meals are delivered to the distribution center, SFSP drivers sort lunches and snacks by each site and load meals in refrigerated vehicles for delivery to program sites. City delivery is increasingly difficult due to the need to sort and deliver meals to 60 to 70 sites by 12:00 pm noon for lunch service and the additional cost of renting several refrigerated vehicles for delivery. There is also a risk of increased costs due to accidents and damage to the rented vehicles. In 2017, direct delivery from vendors to sites was provided for two-thirds of the program.

The bids received for summer 2018 allow the City to consider the advantages of fully incorporating direct delivery to sites. In **Table 3**, option one provides the cost for the City to receive all meals at the center based on San Lorenzo's low bid and includes costs for the City to hire part-time drivers and rent refrigerated delivery trucks. Preferred Meals is not presented as an option since it provided a higher price for delivery to the SFSP center and was ranked last in food appeal. By comparison to option one, both Revolution Foods and School Foodies submitted a bid price for meal service and direct delivery to sites. School Foodies proposed to deliver direct to sites for part of the program at a proposed rate of \$3.32 per lunch and \$.90 per snack. In option two, School Foodies is limited to less than \$150,000 for this contract, approximately 44 percent of the meals, because it did not submit a performance bid bond which is required for bids greater than \$150,000 under the SFSP reimbursement grant program. Revolution Foods proposed to deliver to sites for part of the program or the full program at a bid price of \$3.75 per lunch and \$0.91 per snack in option three. The delivery options presented by both School Foodies and Revolution Foods result in increased cost for the SFSP for food service with delivery but an offset to SFSP operating costs due to the need for zero drivers and refrigerated trucks.

Table 3: Cost Comparison Estimated for Selected Delivery Options

Options for Delivery		Food Cost	SFSP Driver/Truck Costs	Total	Cost Increase/ Decrease from Distribution Center Drop
1	San Lorenzo -100 percent delivery to SFSP Distribution Center	\$274,000	\$54,299	\$328,299	\$ 0
2	Upton Foods dba School Foodies 44%/Revolution Foods 56% split delivery to sites	\$357,312	0	\$357,312	\$29,013
3	Revolution Foods – 100% delivery to Sites	\$372,800	0	\$372,800	\$44,501

San Lorenzo Unified School District (SLZUSD) submitted the lowest price bid, but only for delivery to the SFSP center. Preferred Meals submitted a bid for delivery to the SFSP center at a higher bid price than SLZUSD. Vendor selection is also based on menu and food appeal, capacity to provide services and delivery, and past performance. In terms of meal taste and appeal, School Foodies ranked highest followed by SLZUSD, Revolution Foods and lastly Preferred Meals. SLZUSD has provided meals to the distribution center for over 25 years. Both Revolution Foods and School Foodies delivered meals directly to sites in the summer 2017, and provided satisfactory meal and delivery services. Preferred Meals is a national vendor but has no prior history with the program.

Based on these considerations and the feasibility of the cost of direct delivery to sites, the preferred vendors are Revolution Foods delivering 56 percent and School Foodies delivering 44 percent of the meals during the summer with a contract not to exceed \$148,544 for School Foodies and \$208,768 for Revolution Foods. Each would receive a portion of the daily meal service based on an established route plan to ensure delivery efficiencies.

The total food vendor cost of \$357,312 is higher than the cost of \$328,299 if the meals were delivered to the center due to the higher food vendor bid price. However, the increased food cost is largely offset by savings from reduced labor and refrigerated truck rental cost. The total cost of SFSP is still supported by the funding available for the program based on the reimbursement grant rates and donations and grants. Coordination will focus on the ordering of meals, training site staff to ensure program compliance, and communication with vendors, rather than the actual delivery operation. The risk of damages due to vehicle accidents is minimized for the City.

Policy Alternatives

Alternative #1	Reject the recommendation for two vendors for lower cost vendor for delivery only to the distribution center.
Pros	The alternative of one vendor and delivery by the City will minimize food costs. This will reduce the work related to communicating with vendors and the increased coordination required to provide site changes and routing updates to vendors for their delivery schedules. Costs are less for food service. and more for up to eight part-time drivers for the full SFSP.
Cons	The costs for part-time drivers and rental of refrigerated trucks are more for City delivery to sites. SFSP will incur increased risk for City delivery to sites. Coordination of the delivery while ensuring site compliance is a challenge in the under-resourced program.
Reason for not recommending	The recommendation for these two vendors will increase delivery to 100 percent of meals and reduce the level of operations required to manage a delivery system with minimal increase in total program cost.

FISCAL IMPACT

The total cost to implement the 2017 SFSP is approximately \$499,440 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) 2017-2018 Adopted Budget in the Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), FY 2017-2018 Summer Food Program Project (1003646), and Award (23209). In addition, a contribution from the General Purpose Fund to offset central service overhead costs, which are estimated in the amount of \$19,548, has been approved in the Adopted Budget.

The grant reimbursement revenues of \$381,400 are projected based on 80,000 lunches and 80,000 snacks. The projected costs for vendor contracts to provide the meals of \$357,312, auto rentals of \$14,450, and miscellaneous administration costs of \$4,795 exceeds the FY17-18 adopted budget's amount for O&M and should be adjusted in the amount of \$102,468. In addition, projected advertising expenditures of \$800 were not included in the Adopted Budget. Therefore, an adjustment of approximately \$103,268 to reallocate appropriations from personnel savings to vendor contracts, auto rentals, other administration costs (\$102,468) and advertising (\$800), is required to properly align summer food program costs. Table five summarizes SFSP costs based on these changes.

Table 5: Total Estimated Actual Cost for the SFSP 2018

Cost Category		Adjustment Amount
Admin/Labor Costs	Salaries & Fringe Benefits	\$70,473
Food Vendor Costs	Lunch & Snack	357,312
Auto Rentals for Monitors		14,450
Misc Administration Costs	Office Supplies/ Cell Phone/Duplicating	4,795
Advertising /Oakland Tribune for RFP		800
Charges for Cars for Monitors	City Vehicles	1,300
Sub-Total Program Expenditures		\$449,130
Department Overhead		5,066
Overhead Central Services		19,548
City Internal Service Fund Charges		25,696
Total Estimated FY17/18 Summer Food Costs		\$499,440

Table 6: Funding Sources for SFSP 2017

Fund Source	Org	Project	Award	Amount
CED SFSP Grant (2102)	78241	1003646	23209	\$381,400
GPF Operating Subsidy (2102)	78111	1003646	23209	103,865
CSO Subsidy (2102)	78199	1003646	23209	19,548
AC-OCAP (2128/1003627)	78363	1003627	23190	5,000
Grant/ Donations (2994/A490310)	78241	1001396	21711	21,802
Grant/Donations (2994)	78241	1000545	21710	16,938
Total				\$548,553

A grant from Alameda County - Oakland Community Partnership has been awarded in the amount of \$5,000 and will fund the SFSP 2018 deposited to Year Round Lunch Program Organization (78241), to offset the food vendor costs for SFSP 2018. Donations in Private Party Account (46411) in HSD Donations Summer Food Program Projects (1001396, 1000545) are also available to offset the food vendor costs for SFSP 2018. The excess of funding sources shown in Table six over estimated costs shown in Table five allows an amount of approximately \$49,113 for program contingencies.

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.

COORDINATION

The Office of the City Attorney, the Budget 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 selected vendors, Upton Foods dba School Foodies and Revolution Foods, delivered meals on time and at safe temperatures to the directly program sites in 2017. The vendors kept accurate records of the meals ordered and received, the temperature of meals upon delivery, and packaging. In 2018, vendors will be monitored to ensure timely delivery of meals, control of temperature during delivery, and delivery of complete and undamaged meals. The SFSP

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program will also assess the quality of meals provided through surveys and site compliance through site visits.

SUSTAINABLE OPPORTUNITIES

Economic: The SFSP provides temporary part-time employment opportunities for eight to ten program monitors.

Environmental: Recycled materials are used to package all meals provided to the lunch program. The Environmental Services Division assists with waste reduction efforts at City sites.

Social Equity: The SFSP provides 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 Amount Not To Exceed \$381,400; 2) Enter Into Professional Service Agreements With Uptons, Inc. dba School Foodies In An Amount Not To Exceed \$148,544 And With Revolution Foods In An Amount Not To Exceed \$208,768 To Provide Food Services For The Period June 11, 2018 Through August 18, 2018; 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 11, 2018 Through August 18, 2018; 4) Adjust The FY 2017-2018 Adopted Budget To Transfer Salary Savings In The Amount Of Approximately \$103,268 To Fund Operations And Maintenance; And 5) Authorize A Contribution From The General Purpose Fund In An Estimated Amount Of \$19,548 For FY 2018-2019 Central Services Overhead Charges.

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

Respectfully submitted,


SARA BEDFORD
Director, Human Services Department

Prepared by: Sandra Taylor, Manager
Children And Youth Services Division

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OAKLAND CITY COUNCIL

Approved as to Form and Legality

Amacaulay
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 AMOUNT NOT TO EXCEED \$381,400; 2) ENTER INTO PROFESSIONAL SERVICE AGREEMENTS WITH UPTONS, INC. DBA SCHOOL FOODIES IN AN AMOUNT NOT TO EXCEED \$148,544 AND WITH REVOLUTION FOODS IN AN AMOUNT NOT TO EXCEED \$208,768 TO PROVIDE FOOD SERVICES FOR THE PERIOD JUNE 11, 2018 THROUGH AUGUST 18, 2018; 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 11, 2018 THROUGH AUGUST 18, 2018; 4) ADJUST THE FY 2017-2018 ADOPTED BUDGET TO TRANSFER SALARY SAVINGS IN THE AMOUNT OF APPROXIMATELY \$103,268 TO FUND OPERATIONS AND MAINTENANCE; AND 5) AUTHORIZE A CONTRIBUTION FROM THE GENERAL PURPOSE FUND IN AN ESTIMATED AMOUNT OF \$19,548 FOR FY 2018-2019 CENTRAL SERVICES OVERHEAD CHARGES

WHEREAS, the City of Oakland desires to apply for and accept a Summer Food Service Program (SFSP) Grant in an estimated amount of \$381,400, 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 an estimated 80,000 free lunches and 80,000 free snacks to Oakland children and the delivery of the meals to City and community sites during the grant period from June 11, 2018 to August 18, 2018; and

WHEREAS, if the City is awarded the SFSP Grant, it wishes to negotiate and execute agreements with School Foodies and Revolution Foods for the SFSP program term June 11, 2018 through August 18, 2018; and

WHEREAS, School Foodies 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) 2017-2018 Adopted Budget for the SFSP for Children includes funding for this agreement; and

WHEREAS, in the FY 2017-2018 Adopted Budget, the amount of \$585,223 has been appropriated to the Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), YEAR18 Summer Food Program Project (1003646), Award (23209), 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 \$103,268 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 \$19,548 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 SFSP grant funds in the amount of \$381,400 from the California Department of Education Nutrition Services Division for the purpose of allocating said funds for the SFSP for the period beginning June 11, 2018 and ending August 18, 2018; 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), YEAR18 - Summer Food Program Project (1003646), and Award (23209); 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 \$148,544 to provide food services for the SFSP from June 11, 2018 to August 18, 2018; 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 \$208,768 to provide food services for the SFSP from June 11, 2018 to August 18, 2018; 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 the two 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 \$19,548 will be offset through a contribution of the General Purpose Fund as approved in the FY 2017-2018 Adopted Budget; and be it

FURTHER RESOLVED, That the FY 2017-2018 Adopted Budget in the Department Of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), YEAR18 Summer

Food Program Project (1003646) be adjusted to shift approximately \$103,268 of personnel appropriations to operations and maintenance, including vendor contracts, auto rentals, office supplies and advertising, 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 11, 2018 to August 18, 2018; 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