

FILED
OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

2010 SEP -1 PM 12: 27

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Department of Human Services
DATE: September 14, 2010

RE: **A Resolution Authorizing The City Administrator To (1) Waive The Competitive Process And Enter Into A Grant Agreement With The Alameda County Community Food Bank In An Amount Not To Exceed \$100,000 From The General Purpose Fund For The Procurement Of Bulk Foods And The Acceptance Of Donated Foods For The City Of Oakland Hunger Program For The Period Of September 1, 2010 Through June 30, 2011; And (2) Renew The Food Bank Grant Agreement Annually Thereafter Without Returning To Council For As Long As City Appropriates Funds To Support The Hunger Program Through The Budget Process; And (3) Allocate To The Food Bank Grant Agreement Any Additional Funds That Might Be Donated To The Hunger Program From Outside Sources Without Returning To Council; And (4) Grandfather In Current Procurement Practices For Spot Purchases Of Food Commodities Until Full Compliance With Requirements Of The Purchasing Ordinance Can Be Implemented**

SUMMARY

A Resolution has been prepared authorizing the City Administrator to waive the competitive process and enter into a grant agreement with the Alameda County Community Food Bank in an amount not to exceed \$100,000 for the period of September 1, 2010 through June 30, 2011 for provision of bulk foods to the City of Oakland Hunger Program for hunger relief activities. The resolution also authorizes annual renewal of the grant agreement without returning to Council for as long as the City continues to support the Hunger Program through General Fund appropriations. The proposed Resolution also allows the City Administrator to apply cash donations to the Hunger Program to the Food Bank grant agreement without returning to Council.

Waiver of the competitive process is requested due to the unique position of the Food Bank within the food supply system; as a non-profit, the Food Bank is legally entitled to accept bulk food donations from farmers, producers and food distributors. These donations are then passed through to the general public by the City of Oakland Hunger Program at no charge. The Food Bank also acts as a non-profit broker in the procurement of protein items, such as poultry, and certain dry goods that can be passed on to the public without the markups associated with for-profit vendors. Under the circumstances, for-profit vendors cannot compete on an equal basis with the Food Bank, rendering the standard bidding and contracting process moot.

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Although the Food Bank has the capacity to provide a significant share of the bulk food items for the Hunger Program, additional procurement on a spot purchase basis from for-profit vendors is necessary for certain commodities including fresh produce and some protein items. Heretofore, such spot purchases have been handled on an informal vendor pay basis and grandfathered in under the Food Bank umbrella. In order to comply with amendments to the Purchasing Ordinance (12976 C.M.S., dated October 20, 2009), the Department of Human Services will develop a Request for Qualifications (RFQ) during Fall 2010 to formalize food commodities procurement practices and identify qualified vendors of bulk food commodities. This will open up the purchasing process to all qualified vendors and farm collaboratives and allow for compliance with the amended bidding and contracting requirements of the Purchasing Ordinance on an ongoing basis. It will also allow specification of certain value-based standards, such as fresh local procurement, limitations on use of pesticides and GMO's (Genetically Modified Organisms), fair labor practices and sustainable methods of production, among others. Assistance with development of value-based procurement specifications will be undertaken through the assistance of the Oakland Food Policy Council and vetted through a community process. The Department requests a grace period of up to six months to develop the new procurement standards and conduct a community process. The Department also desires to apply the food procurement standards developed in conjunction with this process to other public feeding programs, including Head Start, senior centers, the Summer Lunch Program, and our shelter and transitional housing programs.

FISCAL IMPACT

Funding in an amount up to \$100,000 for the proposed grant agreement with the Alameda County Community Food Bank is available in the General Purpose Fund (1010), Community Housing Services Organization (78111), and Hunger Program Project (G359710). These funds were appropriated during the 2009/2011 budget process and are a part of the approved policy budget.

The annual budget of the Hunger Program varies from year to year depending on the success of fundraising activities. The Hunger Program is anchored by an appropriation of \$100,000 from the City of Oakland General Fund. This amount is supplemented by outside funding sources such as the Community Development Block Grant (CDBG), private and corporate donations, and other sources. For 2010/2011, the budget for the Hunger Program is approximately \$156,700.

BACKGROUND

The City of Oakland Hunger Program and the Alameda County Community Food Bank have a common historical genesis. Both were proposed for establishment by Bobby Seale in 1973 during his mayoral campaign, as part of a larger community based agenda that emphasized community health and nutrition, including the Black Panther Party's school breakfast program. Twelve years later, in 1985, both the Food Bank and the Hunger Program were established by then-Mayor Lionel Wilson. 2010 marks the twenty-fifth anniversary of both programs.

The synergy of the two programs was intentional – the Food Bank was designed to accept donations of bulk food commodities from farmers, producers and distributors, and the Hunger Program was

designed to distribute those donated commodities to low income communities. Over the course of time, as the Food Bank grew exponentially, it developed its own network of community food distribution sites at neighborhood churches and community based organizations. Today the Food Bank has over 300 member organizations throughout Alameda County. Meanwhile the focus of the Hunger Program shifted towards healthy food and nutrition. Due to the proliferation of fast food and junk food, a situation developed wherein obesity and malnutrition existed side by side. Low income communities experienced an epidemic of diet related diseases, including high blood pressure, diabetes, childhood obesity, anemia and other conditions. The issue became not so much the amount of food available to eat, but the nutritional quality of that food.

Prior to the year 2004, the Hunger Program passed on donated items such as canned goods and processed foods to the community. Starting in 2004, the distribution of such foods was discontinued and only healthy whole foods were given out, including protein items, such as poultry, whole grains and fresh produce. To accommodate this shift, it became necessary to move from a primary reliance on donated foods to an emphasis on purchased foods.

During the last decade there has been a growing holistic awareness of the environmental and social aspects of the food system. Local food systems pioneers like Alice Waters and Michael Pollan brought national attention to the benefits of locally grown, fresh whole foods, organic produce and sustainable agriculture. In 2005, under the Jerry Brown administration, a comprehensive study of the local food system was commissioned through the Mayor's Office of Sustainability. One of the recommendations of the resulting study was the establishment of an Oakland Food Policy Council to develop food systems policy recommendations for the City Council. In 2006 the Oakland City Council allocated \$50,000 in seed money for the establishment of a Food Policy Council and in 2008 the City entered into a grant agreement with Food First, Inc. to incubate and establish the Oakland Food Policy Council, under the aegis of the City of Oakland Hunger Program.

One of the deliverables of the Food First grant agreement was the development of a strategic plan by the Oakland Food Policy Council. Later in 2010, the Department of Human Services will return to the Life Enrichment Committee with the Oakland Food Policy Council to present the completed plan, entitled, "A Plan for Action". Among the recommendation areas of the plan will be a comprehensive review of the City's food procurement standards and specifications.

PROGRAM DESCRIPTION

The procurement of food commodities presents a number of challenges. Food prices are subject to considerable volatility due to several factors, including weather and seasonal availability. It is not possible to set a fixed price for food commodities on an annual contractual basis – the price of lettuce, for example, may spike by \$1 a head in a single week of heavy rain or frost. At the same time there are considerations beyond price alone. For example, it may be preferable, in terms of environmental or nutritional benefit to purchase a locally grown produce item rather than a similar imported item of equal price.

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Rather than select a low bid vendor for an annual contract, the Hunger Program will conduct a Request for Qualifications process to identify qualified local vendors of fresh produce and other foodstuffs. The process will be opened up to all local providers, including local farms and farm collaboratives, as well as larger local distributors including Jack London Square produce vendors. The process will emphasize outreach to small local growers, including urban food organizations and community gardeners.

At the same time, a portion of the Hunger Program budget will be set aside for procurement of items from the Alameda County Community Food Bank, allowing the program to continue to take advantage of donated items. Under a program sponsored by the national Second Harvest organization, the parent organization acting as a nationwide umbrella for local food banks, farmers donate “seconds” to local food banks – produce that may be cosmetically imperfect according to chain grocery retail standards but nutritionally acceptable. Under this program, the Food Bank donated an estimated \$45,000 worth of fresh produce to the City Hunger program during fiscal year 2009/2010 free of charge. The proposed grant agreement with the food bank will allow the Hunger Program to continue to pass on these commodities to Oakland’s low income communities.

Citizen oversight of the City Hunger Program is provided by the Emergency Food Providers Advisory Committee (EFPAC). This all-volunteer community organization is a consortium of local churches and community based organizations based in each of the seven Council districts. These organizations act as distribution sites for the emergency food provided by the Hunger Program. Bulk foods are delivered to these community sites, where volunteers pack the food into brown bags for distribution to the public. Again, since the actual distribution of foods is conducted by community volunteers, there is virtually no overhead cost to the Hunger Program, and all allocations to the program go strictly for the purchase of food.

EFPAC volunteers also serve as the nutrition committee overseeing food procurement. Prior to each food distribution, the nutrition committee reviews produce bids submitted by local vendors and selects the most cost effective and nutritionally balanced menu items for inclusion in the brown bags. EFPAC has also been instrumental in moving away from plastic bags and even paper bags towards more environmentally viable reuseable bags. During 2010/2011, with the assistance of Council Member Quan and the City’s Environmental Services Division, the Hunger Program will distribute groceries using only reusable bags made from recycled plastic materials.

SUSTAINABLE OPPORTUNITIES

Economic: Assistance with emergency food helps to minimize food insecurity and provides an economic safety net for low income households.

Environmental: Better access to fresh and wholesome foods in low income communities improves neighborhood environments that are “food deserts” with little or no access to healthy foods.

Social Equity: The expenditure of City funds upon the most needy in the community provides for the most basic of human needs and equalizes access to healthy foods for minorities..

DISABILITY AND SENIOR CITIZEN ACCESS

The food pantries and distribution sites for the City of Oakland Hunger Program are accessible to seniors and persons with disabilities.

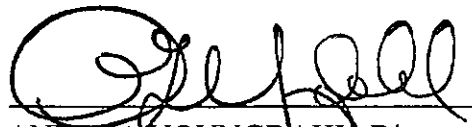
RECOMMENDATIONS AND RATIONALE

That the Council authorize the City Administrator to waive the competitive process and enter into a grant agreement with the Alameda County Community Food Bank in an amount not to exceed \$100,000 for the period of September 1, 2010 through June 30, 2011 for provision of bulk foods to the City of Oakland Hunger Program for hunger relief activities. Further, that the council authorize the annual renewal of the Food Bank grant agreement without returning to Council for as long as the City continues to support the Hunger Program through General Fund appropriations. Further, that the Council authorize the City Administrator to apply donations to the Hunger Program to the Food Bank grant agreement without returning to Council.

ACTION REQUESTED OF THE COUNCIL

That the Council authorize the City Administrator to waive the competitive process and enter into a grant agreement with the Alameda County Community Food Bank in an amount not to exceed \$100,000 for the period of September 1, 2010 through June 30, 2011 for provision of bulk foods to the City of Oakland Hunger Program for hunger relief activities. Further, that the council authorize the annual renewal of the Food Bank grant agreement without returning to Council for as long as the City continues to support the Hunger Program through General Fund appropriations. Further, that the Council authorize the City Administrator to apply donations to the Hunger Program to the Food Bank grant agreement without returning to Council.

Respectfully submitted,

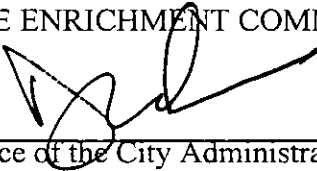


ANDREA YOUNGDAHL Director
Department of Human Services

Reviewed by: Susan Shelton, Manager
Community Housing Services

Prepared by: Mike Church
Program Analyst II

APPROVED AND FORWARDED TO THE
LIFE ENRICHMENT COMMITTEE:



Office of the City Administrator


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Life Enrichment Committee
September 14, 2010

FILED
OFFICE OF THE CITY CLERK
OAKLAND

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OAKLAND CITY COUNCIL

Approved as to Form and Legality


City Attorney

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO (1) WAIVE THE COMPETITIVE PROCESS AND ENTER INTO AN AGREEMENT WITH THE ALAMEDA COUNTY COMMUNITY FOOD BANK IN AN AMOUNT NOT TO EXCEED \$100,000 FROM THE GENERAL PURPOSE FUND FOR THE PROCUREMENT OF BULK FOODS AND THE ACCEPTANCE OF DONATED FOODS FOR THE CITY OF OAKLAND HUNGER PROGRAM FOR THE PERIOD OF SEPTEMBER 1, 2010 THROUGH JUNE 30, 2011; AND (2) RENEW THE FOOD BANK AGREEMENT ANNUALLY THEREAFTER WITHOUT RETURNING TO COUNCIL FOR AS LONG AS CITY APPROPRIATES FUNDS TO SUPPORT THE HUNGER PROGRAM THROUGH THE BUDGET PROCESS; AND (3) ALLOCATE TO THE FOOD BANK AGREEMENT ANY ADDITIONAL FUNDS THAT MIGHT BE DONATED TO THE HUNGER PROGRAM FROM OUTSIDE SOURCES WITHOUT RETURNING TO COUNCIL; AND (4) GRANDFATHER IN CURRENT PROCUREMENT PRACTICES FOR SPOT PURCHASES OF FOOD COMMODITIES UNTIL FULL COMPLIANCE WITH REQUIREMENTS OF THE PURCHASING ORDINANCE CAN BE IMPLEMENTED

WHEREAS, the City of Oakland Hunger Program currently purchases bulk food products from the Alameda County Community Food Bank (ACCFB) in amount up to \$100,000 per year; and

WHEREAS, due to the non-profit status of the ACCFB it is legally entitled to receive bulk food donations from producers and manufacturers and provide these food donations to the City of Oakland Hunger Program free of charge; and

WHEREAS, due to the non-profit status of the ACCFB and its ability to provide donated foods free of charge other for-profit providers of bulk foods are unable to compete with the ACCFB on an equal basis; and

WHEREAS, the Council therefore finds that it is in the best interests of the City to designate the ACCFB as a sole-source vendor for supply of bulk food items to the City of Oakland Hunger Program; and

WHEREAS, the City of Oakland has appropriated General Fund contributions to the Hunger Program on an annual basis since Fiscal Year 2001; and

WHEREAS, the City of Oakland has appropriated \$100,000 in its General Purpose Fund to the City of Oakland Hunger Program for Fiscal Year 2010/2011 for hunger relief purposes and said funds are available in the General Purpose Fund (1010), Community Housing Services Organization (78111), and Hunger Program Project (G359710); and

WHEREAS, the City wishes to enter into a grant agreement with the ACCFB for an amount up to \$100,000 for the provision of bulk foods to the Hunger Program; and

WHEREAS, the Council finds that the sole-source designation of the ACCFB as a supplier to the Hunger Program is unlikely to change in the future and the ACCFB will continue to qualify as a sole-source provider of bulk foods for as long as City funding is appropriated through the budget process; and

WHEREAS, other outside organizations or individuals may choose to donate funds to the City of Oakland Hunger Program for the purpose of supporting the City of Oakland Hunger Program; and

WHEREAS, the City desires to apply such donations to the ACCFB grant agreement; and

WHEREAS, the Department of Human Services is required to comply with the City Purchasing Ordinance unless specifically excepted by order of the Oakland City Council; and

WHEREAS, procurement on a spot purchase basis from for-profit vendors is necessary for certain commodities including fresh produce and some protein items; and

WHEREAS, the Department of Human Services has requested a six month grace period from the City Council to allow for the development of a Purchasing Specification that will bring procurement of certain bulk food items into compliance with the Purchasing Ordinance; now, therefore, be it

RESOLVED: That the services to be provided by the ACCFB will not result in the loss of employment or salary by any person having permanent status in the competitive service; and be it

FURTHER RESOLVED: That pursuant to Oakland Municipal Code Section 2.04.051B, the City Council finds and determines that it is in the best interests of the City to waive the competitive request for proposal/qualifications process for a grant agreement with the ACCFB, and so waives the requirement; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to enter into a grant agreement with the Alameda County Community Food Bank, for the period of September 1, 2010 through June 30, 2011, in the amount of up to \$100,000 for procurement of bulk foods for the Hunger Program; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to renew the grant agreement with the ACCFB grant agreement annually for as long as the Council continues to appropriate hunger relief funds through the budget process without returning to Council; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to accept donations from any outside agencies or sources and apply those donations to the ACCFB grant agreement without returning to Council; and be it

FURTHER RESOLVED: That the City Council waives the competitive bidding process as required by the Purchasing Ordinance for a period of up to six months to allow the Department of Human Services to bring Hunger procurement activities into compliance with the Purchasing Ordinance; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, modifications, payment requests, and related action which may be necessary to execute the Alameda County Community Food Bank agreement; and be it

FURTHER RESOLVED: That said agreements shall be reviewed as to form and legality by the Office of the City Attorney and copies will be filed in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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