

# AGENDA REPORT

**TO:** JOHN A FLORES  
INTERIM CITY ADMINISTRATOR

**FROM:** Sara Bedford

**SUBJECT:** 2015 Summer Food Service Program

**DATE:** April 6, 2015

City Administrator  
Approval

Date

4/14/15

**COUNCIL DISTRICT:** City-Wide

## **RECOMMENDATION**

Staff recommends that the City Council adopt:

**A Resolution Authorizing The City Administrator To 1) Accept And Appropriate The Summer Food Service Program (SFSP) Grant From The California Department Of Education, Nutrition Services Division In An Estimated Amount Of \$345,200 And 2) Enter Into Professional Service Agreements With The San Lorenzo Unified School District In An Amount Not To Exceed \$124,250 And Revolution Foods In An Amount Not To Exceed \$126,600 To Provide Food Services For The Period June 15, 2015 Through August 14, 2015**

## **OUTCOME**

Approval of the resolution will ensure that 70,000 to 80,000 free lunches and snacks are delivered to City and community sites during the grant period June 15, 2015 to August 14, 2015.

## **BACKGROUND/LEGISLATIVE HISTORY**

The Summer Food Service Program (also known as the Oakland Summer Lunch Program) is regulated under United States Department of Agriculture (USDA) Title 7 Code of Federal Regulations (CFR) Part 225. 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. The City of Oakland has applied for the SFSP grant and has been approved as a sponsor of the SFSP for the past 29 years.

Item: \_\_\_\_\_  
Life Enrichment Committee  
April 28, 2015

Upon approval as a sponsor, the City contracts with vendors to prepare the lunches and snacks and then delivers them to community sites in Oakland. 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 program is administered by the California Department of Education (CDE), Nutrition Services Division.

The City is reimbursed through the SFSP grant at the rate of \$3.58 per lunch and \$0.84 per afternoon snack delivered in compliance with SFSP administrative guidelines.

### **ANALYSIS**

The number of lunches served has increased over the past twelve years from 50,000 to over 70,000 in 2014, as some Oakland families experience higher rates of unemployment and poverty than before. About 75 percent of the Oakland Unified School District's students qualify for free or reduced lunches and about one-third of Oakland children live in families with income below the federal poverty level.

Summer food program sites increased from 60 locations in 2010 to 72 in 2014. Summer food sites include 22 recreation centers, 10 libraries, and another 40 to 50 community-based and faith-based organizations providing youth programs. The SFSP supports increased attendance at many sites, including the library sites and City recreation centers. An afternoon snack program, which was discontinued in 2014, will return in 2015. Snacks are reimbursable, popular with program staff and a benefit for the children in the programs.

It is estimated that approximately 70,000 to 80,000 lunches and 70,000 to 75,000 snacks will be served during the period between June 15 and August 14, 2015.

### ***Vendor Selection***

The Human Services Department (HSD) conducted a formal Request for Proposal (RFP) process to adhere to the CDE guidelines and City's purchasing policies for a competitive process for food vendor selections. Staff contacted local Oakland food vendors to further awareness of the competitive process. Companies including Oakland based vendors received an announcement of the RFP. The San Lorenzo Unified School District and Revolution Foods were the only two vendors which submitted proposals to provide services for the SFSP.

The selected vendors will be paid on a per meal basis for food preparation and delivery to a City facility, where the meals will be sorted and delivered to SFSP sites by City drivers. The actual amount of the reimbursement will be based on the number of meals delivered during the summer.

The USDA sets guidelines for the SFSP regarding food components and portion size which are incorporated as Level A in the Oakland RFP for SFSP vendors. The Oakland SFSP requests vendors to provide meal prices based on a higher standard, or Level "B", which adds the nutritional standards of a minimum of 50% California grown food, no trans-fats, no high fructose corn syrup, and 100% of meat and dairy food items are antibiotic-free and hormone-free. Both vendor proposals raised the nutrition value to level B for this competitive process.

Vendors had the option to submit proposals for 100% of the contract or for partial award, as well as to include the use of Vendor's refrigerated trucks to assist with food delivery. The San Lorenzo Unified School District and Revolution Foods were the only two vendors who submitted proposals for the Oakland SFSP 2015 contract (see table below).

**Table 1: Bid price based on 100% of the contract – bid price per lunch and snack**

<b>Company</b>	<b>Delivery A Drop off at Oakland SFSP</b>	<b>Delivery B Use of Vendor's trucks</b>	<b>Snack</b>
San Lorenzo Unified School District	\$2.45	\$2.85	\$0.75
Revolution Foods	\$2.50	N/A	\$0.76

Staff estimates that the 2015 SFSP will serve an estimated 70,000 to 80,000 lunches and 70,000 snacks during the 2015 summer. Meals for the 2015 SFSP will be purchased from both vendors, San Lorenzo Unified School District and Revolution Foods, by splitting the contract 50/50. Vendors will alternate service days to increase the variety to all children in the program.

***Site Compliance with SFSP Requirements***

SFSP must use refrigerated vehicles to deliver the meals in order to comply with food safety and sanitation requirements and ensure that meals are delivered at a temperature of no more than 41 degrees.

Site staff is trained to receive the meal delivery and distribute the meals to children under the age of 18. The SFSP's part-time monitors document compliance with SFSP rules and assist program sites to ensure the compliance necessary for continued participation in the program. Strict site monitoring and the increased cost of refrigerated vehicles can result in fewer meals being delivered and reduce the revenue of the program in summer 2015.

### **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 Request for Proposals (RFP) announcement was advertised in the Oakland Tribune.

Public outreach specifically about the program and 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, Controller's Office, Oakland Parks and Recreation Department, and Oakland Public Library 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 six drivers, five monitors, vehicles, and administrative costs. Projected grant reimbursement revenue of \$345,200, based on the state reimbursement rate of \$3.58 per lunch and \$0.84 per snack for approximately 80,000 lunches and 70,000 snacks, may not cover program operating costs. Grants from outside sources are expected to increase revenues and fully cover program costs. The summer food program is operated with part-time drivers and monitors.

The Table 2 cost estimate below assumes that 80,000 lunches and 70,000 snacks are delivered using City refrigerated trucks as well as rented refrigerated trucks.

<b>Table 2: Summer Food Service Program 2015 Cost estimate</b>	
<b>Revenues</b>	
SFSP Reimbursement (lunch and snack)	\$345,200
Anticipated grants/ support	\$20,000
<b>Total Revenues</b>	<b>\$365,200</b>
<b>Expenses</b>	
<b>Staff Costs</b>	
Distribution Center Coordinator	\$27,578
7 SFSP Drivers & 5 SFSP Monitors	\$60,236
<b>Staff Costs Subtotal</b>	<b>\$87,814</b>
<b>Program Costs</b>	
Food Vendor Costs (lunch and snack)	\$250,850
Duplicating/ Cell phone/ RFP advertising	\$4,413
Refrigerated Truck Rental & Car Rental	\$14,500
Purchasing	\$6,008
Misc. office supplies & maintenance	\$1,102
<b>Program Costs Subtotal</b>	<b>\$276,873</b>
<b>Grand Total Expenses</b>	<b>\$364,687</b>
<b>Net (Income - Expenses)</b>	<b>\$513.00</b>

The SFSP is expected to have a small surplus due to anticipated grants and grant development support from partners, including the Oakland Alameda County Community Action Program and Alameda County Community Food Bank. Additionally, HSD has been notified that the SFSP will receive a second year of funding from the National Park and Recreation Association Summer Food Service Program Grant funded by Wal-Mart

**SUSTAINABLE OPPORTUNITIES**

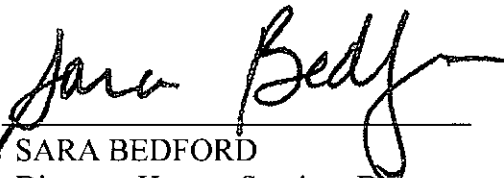
***Economic:*** The SFSP provides temporary part-time employment opportunities for seven drivers and five monitors.

***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

Director, Human Services Department

**CHILDREN & YOUTH SERVICES**

***Reviewed by:*** Sandra Taylor, Human Services Manager

***Prepared by:*** Carmela Chase, Program Analyst I

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2015 APR 16 AM 1:53

Approved as to Form and Legality

*Macaulay*  
Oakland City Attorney's Office

## OAKLAND CITY COUNCIL

Resolution No \_\_\_\_\_ C M S

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**A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO 1) ACCEPT AND APPROPRIATE THE SUMMER FOOD SERVICE PROGRAM (SFSP) GRANT FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, NUTRITION SERVICES DIVISION IN AN ESTIMATED AMOUNT OF \$345,200 AND 2) ENTER INTO PROFESSIONAL SERVICE AGREEMENTS WITH THE SAN LORENZO UNIFIED SCHOOL DISTRICT IN AN AMOUNT NOT TO EXCEED \$124,250 AND REVOLUTION FOODS IN AN AMOUNT NOT TO EXCEED \$126,600 TO PROVIDE FOOD SERVICES FOR THE PERIOD JUNE 15, 2015 THROUGH AUGUST 14, 2015**

**WHEREAS**, the City of Oakland desires to apply for and accept a Summer Food Service Program (SFSP) Grant in an estimated amount of \$345,200 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 for the SFSP program term June 15, 2015 through August 14, 2015; and

**WHEREAS**, the 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 the competitive civil service; and

**WHEREAS**, due to limited funding and administrative cost restrictions for grant funding, the Department is requesting a contribution from the General Purpose Fund in an amount equivalent to the Department's Central Service Overhead (CSO) estimated at \$75,934; and

**WHEREAS,** the Fiscal Year (FY) 2014-2015 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 is hereby authorized and directed to apply for, accept and appropriate SFSP grant funds in the amount of \$345,200 from the California Department of Education Nutrition Services Division for the purpose of allocating said funds for the Summer Food Service Program for the period beginning June 15, 2015 and ending August 14, 2015, and be it

**FURTHER RESOLVED:** That the agreement funds will be deposited and appropriated in Department of Agriculture Fund (2102), Year Round Lunch Program Organization (78241), and Summer Food Service Program FY 2014-2015 Project (G421030); and be it

**FURTHER RESOLVED:** That all CSO costs associated with this grant in an estimated amount of \$75,934 will be offset through a contribution of the General Purpose Fund as has been done in all of the past years; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to execute Professional Services Agreements with San Lorenzo Unified School District in an amount not to exceed \$124,250, and Revolution Foods in an amount not to exceed \$126,600, to provide food services for the SFSP for a term of June 15, 2015 to August 14, 2015, and 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 aforementioned grant without returning to City Council; and be it

**FURTHER RESOLVED:** That if additional funding becomes available from the grantor California Department of Education Nutrition Services Division or another grantor, for the same purpose, within the existing grant term, 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 15, 2015 to August 14, 2015; and be it

**FURTHER RESOLVED:** That the City Administrator or his designee 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 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 loss of employment or salary by any person having permanent status in the competitive civil service; 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, GUILLEN, KALB, KAPLAN, REID and  
PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

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