



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

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File ID: 2019-00808

June 11, 2019

Consent Item 26

Title: Purchase/Cooperative Agreement: Food for Recreation Programs and Supplemental Purchases (Two-Thirds Vote Required)

Location: Citywide

Recommendation: Pass a Motion: 1) authorizing use of the Premier Inc., US Foods cooperative purchasing agreement through Frederick County Public Schools (FCPS) to access its contract (#19FS1) with Premier K-12 Foodservice for food purchases and supplemental purchases for City recreational programs from July 1, 2019 through May 31, 2021; 2) authorizing the City Manager or the City Manager's designee to issue purchase orders under the FCPS contract in an amount not to exceed \$200,000 per fiscal year, for a total amount not to exceed \$400,000; and 3) suspending competitive bidding finding it is in the City's best interest for the Youth, Parks and Community Enrichment Department to make direct supplemental food purchases and recreational supplies from July 1, 2019 through June 30, 2021 at local grocery stores with a purchase order or purchase card in a total amount not to exceed \$425,000 per fiscal year for a total amount not to exceed \$850,000 subject to funding availability in the adopted operating budget for the applicable fiscal year.

Contact: Sonja Sanders, Administrative Officer (916) 808-8824; Shannon Brown, Interim Director (916) 808-6076

Presenter: None

Attachments:

1-Description/Analysis

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Issue Detail: The Youth, Parks, & Community Enrichment Department (YPCE) purchases food supplies for its recreation programs, including the 4th “R” child care program, START after-school program, Community Center programs, Access Leisure, Older Adults and Camp Sacramento.

City Council authorization is required in order to use the U.S. Communities cooperative purchasing agreement through the Frederick County Public Schools (FCPS) to access its contract (#19FS1) with Premier K-12 Foodservice to purchase food and related supplies for City recreational programs for the next two fiscal years. Authorization is also requested to suspend competitive bidding to allow for direct purchases of supplemental food supplies at local stores with a purchase order or purchase card for the recreation programs during this same period. These proposed actions are consistent with the City Council’s past approvals with regard to purchasing food for recreational programs.

Policy Considerations: In accordance with City Code section 3.56.240, subject to City Council approval, supplies can be purchased through contracts of other governmental agencies in lieu of competitive bidding, where it is advantageous to the City. The cooperative agreement issued by FCPS on behalf of U.S. Communities cooperative purchasing group meets YPCE food specifications and will result in cost savings because of the competitive bidding that was undertaken by FCPS.

Suspending competitive bidding for supplemental food and supplies from local retail grocery stores is needed because: 1) the total annual expenditure amount at each store may exceed the \$5,000 bidding threshold under the City’s procurement policies and grocery and retail stores ordinarily do not bid on public contracts; and 2) direct purchases from local retail and grocery providers allows for meeting the need for additional food products on a time-limited basis as required for operation of YPCE’s recreational programs. This is consistent with section 3.56.230 of the Sacramento City Code, that allows the City Council to suspend competitive bidding for the purchase of supplies when, upon a two-thirds vote, the Council determines that it is in the City’s best interest to do so.

Economic Impacts: None

Environmental Considerations: This report concerns the purchase of food and supplies for YPCE. Continuing administrative activities, such as the purchase of food and supplies, is not a “project” for the purposes of California Environmental Quality Act (CEQA) pursuant to section 15378(b)(2) of the CEQA Guidelines (Title 14 Cal. Code Reg. § 15000 et seq.).

Sustainability: Not Applicable

Commission/Committee Action: None

Rationale for Recommendation: On behalf of U.S. Communities and its members, FCPS conducted a competitive bidding process to select their food provider. The use of the FCPS cooperative purchasing agreement enables the City to maximize cost savings through volume buying and reduced administrative expenses.

Financial Considerations: The estimated cost of food supplies to be purchased from Premier K-12 Foodservice utilizing the FCPS purchasing agreement for the next two fiscal years is \$400,000 or \$200,000 per fiscal year. The price for food products varies at any point in time because it is a perishable product that is subject to price escalation based on demand and production costs. The actual costs charged would be based on the date of each food order.

Camp Sacramento is expected to spend a total of \$230,000 and the 4th "R" Child Care program is expected to spend a total of \$360,000 to serve its locations during the next two years.

Both programs that would use the cooperative purchasing agreement are intended to be self-supporting and have been purchasing food for many years as part of their budgeted operations. No additional General Fund appropriation is required. The 4th "R" Child Care Program and Camp Sacramento include food costs in the fee for service. Purchases are subject to funding availability in the adopted operating budget of the applicable fiscal year.

Purchases for other recreation programs such as Access Leisure, Camp Sacramento, Recreation Services, Older Adult Services, Community Centers, and Neighborhood and Teen Services is an an integral part of their programs.

Supplemental grocery and some recreation supplies would be purchased from local retail grocery providers on an as needed basis, such as: General Produce, Oro's Marketplace, SYSCO, Safeway, Whole Foods, CVS Pharmacy, Dollar Tree, K-Mart, Rite Aid, Wal Mart Corporate, Costco, Sam's Club, Smart and Final, 99 Cent Stores, Target and Raley's Family of Fine Foods stores. This authorization for staff to procure supplemental food and recreation supplies for all recreation programs over the two-year period would not exceed a total amount of \$850,000 or \$425,000 per fiscal year.

Local Business Enterprise (LBE): The Smart and Final, General Produce, Wal Mart, Oro's Marketplace, SYSCO, Safeway, Whole Foods, 99 Cent Stores, Sam's Club, Target, Costco, Raley's, Bel Air, and Wal Mart stores are all located in the city.

Background: The 4th “R” Child Care Program is a fee-for-service program paid for by parents. The fees charged include funding for food. Camp Sacramento operates by charging all-inclusive rates to campers, which cover lodging, food and activities. There are few opportunities to purchase bulk food items from retail grocery providers in Sacramento because they refuse to participate in the bid process and most will also not accept a purchase order. The volume and limitations of product sizes required by YPCE programs exceeds the expenditure limitations and requirements of Administrative Policy 4001, which requires solicitation of at least three prospective bidders for supplies over \$5,000 up to \$25,000 and issuance of an Invitation for Bids (IFB) for supplies more than \$25,000 and less than \$100,000. Some grocery providers offer in-house credit accounts in lieu of accepting purchase orders; however, a credit account is not an authorized method of purchase therefore, procurement credit cards will be used to make purchases from local grocery providers as needed to supplement the bulk food purchases and supplies from Premier K-12 Food Products.