



REPORT TO COUNCIL

City of Sacramento

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STAFF REPORT
August 22, 2006

Honorable Mayor and
Members of the City Council

Title: Summer Food Service Program Operation Approval and Status Report

Location/Council District: Sacramento County

Recommendation: Adopt a **Resolution** 1) authorizing continued year-round participation in the Summer Food Service Program throughout the Sacramento region through 2009; 2) authorizing the City Manager to execute all agreements and documents with the California Department of Education and with local school districts and other licensed food service providers as necessary to apply for and accept annual grant funding up to \$748,296 and to operate the Summer Food Service Program through 2009; and 3) amending the Operating Grant expenditure and revenue budgets to reflect the annual state funding.

Contact: David Mitchell, Division Manager, 808-6076

Presenters: David Mitchell, Division Manager, 808-6076

Department: Parks and Recreation

Division: Children and Family Recreation Services

Organization No: 4736

Description/Analysis

Issue: Approval for the City's participation in the Federal and State Summer Food Service Program expires on September 30, 2006. Authorization is required to continue participation through September 30, 2009. Contracts with food service providers expire on March 31, 2007, and new contracts will be required in future years. In addition, a report on the success of the program during this summer is available for presentation.

Policy Considerations: Continued participation in the Summer Food Service Program is consistent with the City's strategic plan to enhance livability.

Environmental Considerations: None

Commission/Committee Action: None

Rationale for Recommendation: Continued participation in the Summer Food

Service Program will enable the City to continue partnering with several hundred volunteers who serve thousands of lunches each day of the summer to hungry children throughout Sacramento County. Revenue received from the State covers all costs of the program, ensuring that no General Fund support is required. There is no other public or private agency in Sacramento County willing to take on fiscal and administrative sponsorship of the program.

Financial Considerations: The program is funded by the United States Department of Agriculture, through the California Department of Education (CDE), based on the number of meals served, plus a minor amount for administration. It is expected that the cost of the meals purchased, and the administration and management of the program, over the next three years will be \$748,296 per year. This amount will be fully reimbursed by CDE, and no General Fund support is required.

Emerging Small Business Development (ESBD): Purchase of supplies and equipment will be made in accordance with the City's Emerging and Small Business Development program requirements.

Respectfully Submitted by: 
David Mitchell, Division Manager

Approved by: 
Robert G. Overstreet II, Director

Recommendation Approved:

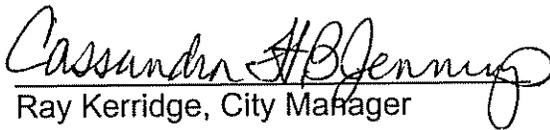

Ray Kerridge, City Manager

Table of Contents:

Report	pg. 1-2
Attachments	
1 Background	pg. 3-5
2 Standard Food Service Agreement	pg. 6-10
3 Resolution	pg. 11-12
4 Serving Location Maps	pg. 13-21
5 Presentation Slides	pg. 22-29

Attachment 1**Background**

The Department of Parks and Recreation has administered the Summer Food Service Program on behalf of the City and County of Sacramento for the past twenty-two (22) years. The purpose of the program is to provide free nutritious lunches and snacks, and in a few cases breakfasts, to children 18 years of age and under who otherwise are likely to go hungry. The program operates primarily during the summer school vacation period at a time when similar programs run by school districts during the school year are closed.

The City is the fiscal agent and administrative sponsor of the program, but relies on other agencies, organizations and volunteers to serve the food. For several years the program has contracted with the Elk Grove and Del Paso Heights school districts and the Boys and Girls Clubs of Greater Sacramento to prepare and deliver the food to the serving locations throughout the county.

The predominant focus of the program is during the summer school vacation period, although the program operates year-round at a few sites. During the summer of 2006, it is estimated that approximately 165,000 lunches and 110,000 snacks will be served at 102 sites. According to the California Department of Education, the City's Summer Food program serves the most meals of any program in the State of California that is not operated by a school district. See pages 13 to 21 for maps of this summer's sites by Council District.

Based on assumptions about what it takes to operate a serving location, it is estimated that this summer more than 200 people will have worked at the 102 sites, donating more than 12,000 hours of service to the program. While some of these people are paid for their time by their sponsoring agency, none are paid by the City for their involvement in the Summer Food program.

How the program operates

City staff work throughout the year to sign up agencies, organizations and volunteers who can commit to serving food to children every day at the same time for at least four weeks and preferably for much longer. At least two volunteers are needed at each location each day, and everyone who participates must go through a training session in order to comply with federal and state requirements.

Typical partners include summer recreation providers, such as the City's summer recreation programs and nearby park and recreation districts; faith-based organizations; managers of large apartment complexes; and community-based organizations, such as Boys and Girls Clubs, the Urban League and the Salvation Army.

The key to successfully serving hungry children is to find locations where children are already congregating and where a sponsoring group of volunteers is available. The challenge is to encourage operators of these sites to commit to being trained, accept food deliveries, administer the program in compliance with all regulations, and complete and turn in daily and weekly reports. While there may be many sites throughout the County where hungry children are already congregating, some organizations are reluctant to take time out of their daily schedule to serve the free meals. Fortunately, there are many groups that see the value in running a food program at their site or in their neighborhood and readily agree to participate.

In order for a serving site to be approved, it must be located within a geographic area in which at least half of the children in the area qualify for free and reduced-price school meals. This regulation assures that the free food is most likely to go to the neediest children. Each serving location must be open to the public and cannot turn away any child through age 18.

Food service providers

The food that is served is prepared by the Elk Grove Unified School District, the Del Paso Heights School District and the Boys and Girls Clubs of Greater Sacramento. These providers were selected as a result of a request for proposals that was coordinated with the City's Procurement Services Division. Proposals were evaluated on the basis of the menus, costs, delivery schedule needs and prior history. During the summer Elk Grove generally delivers meals to locations in the southern portion of the county and Del Paso generally delivers meals to locations in the northern portion, while the Boys and Girls Clubs serve their own sites. Meals served outside of the summer months are prepared by the Boys and Girls Clubs and are picked up and delivered by City staff.

The food service agreements with the agencies that prepare and deliver the food conform to standard conditions developed by the California Department of Education (CDE) (see Attachment 2). The current food service agreements expire on March 31, 2007. New agreements must generally follow the format dictated by CDE, and terms must be in compliance with the Code of Federal Regulations. Council approval is requested for City Manager authorization to sign food service agreements through 2009 that generally conform to the CDE agreement format.

For each meal that is served in compliance with federal and state requirements, the City is reimbursed this year \$2.56 for lunches, \$1.47 for breakfasts and 59 cents for snacks. Reimbursement rates are set annually by CDE. The meals are served free to the children.

Once the food service providers are paid their contractual prices, any remaining funds are used to pay up to ten temporary serving site monitors, two temporary office assistants, and one full-time temporary supervisor. Total expenses and revenue in a typical year are approximately \$750,000, and no General Fund support is required.

Partnerships

In addition to the partnership with the two school districts and Boys and Girls Clubs, the City has partnered with three community agencies for a number of years in order to provide effective outreach:

- The City/County Hunger Commission conducts outreach, advocacy, and nutrition education for parents and youth. They also solicit new serving locations and promote the program through professional posters, bookmarks, stickers, and awards.
- InfoLine Sacramento, the non-profit resource and referral service of the Community Services Planning Council, provides a single point of telephone contact for families inquiring about serving locations for their children.
- The County of Sacramento, Department of Human Assistance, inserts information about the program in a regular mailing to its clients.

Challenges to successful operation

While the City has been relatively successful in recruiting organizations to operate serving locations, there are no other fiscal and administrative sponsors of summer food programs in Sacramento County with the exception of school districts that serve their own summer schools. Being a fiscal and administrative sponsor means that, ultimately, any negative monitoring or audit findings and any financial penalties are the sole responsibility of the City. Other agencies and organizations have been unwilling to take on this risk and the corresponding work that must be undertaken to minimize that risk and comply with all the regulations.

Although being a sponsor of a serving location presents almost no risk, and successful locations already have children congregating there or nearby, it remains a challenge to find more sponsors to allow the program to expand and additional children to be fed. Although we serve thousands of children each summer, thousands more go hungry. Staff is available to discuss enrolling as a new sponsor any organization that is interested.

The school districts with which we contract for food preparation and delivery originally became involved as a way to keep their kitchen staff fully employed during summer vacations. As more schools operate year-round, and as labor and transportation costs increase, it may become more difficult to purchase lunches and snacks at a reasonable cost below the amount the City is reimbursed. Because the City is the fiscal and administrative sponsor, it is our responsibility to employ an adequate number of site monitors and office staff to enable the program to operate successfully and in compliance with all requirements. As the cost of food approaches the reimbursement rate, it becomes more difficult to fund the staff necessary to operate the program.

Attachment 2**CDE STANDARD FOOD SERVICE AGREEMENT
INSTRUCTIONS FOR USE**

This agreement contains requirements outlined in the Summer Food Service Program (SFSP) 7 Code of Federal Regulations (CFR) Part 225.6 (h), therefore, no deletions of clauses or items will be allowed without the approval of the Nutrition Services Division (NSD), Field Services Unit (FSU).

Public agency sponsors wishing to use their customary form of agreement or contract must ensure it incorporates all the provisions set forth in 7 CFR 225.6 (h). To ensure all of the requirements are incorporated, complete and submit the attached Procurement Standard Check List along with your proposed agreement or contract and allow 15 business days for a response.

Sponsors must use Commercial Food Service Vendors (CFSV) registered with the California Department of Education, Nutrition Services Division (NSD). If you are not able to use any of the CFSV on the list and you wish to use a different vendor, have them register with NSD. Please allow 30 days for NSD to register a new CFSV.

Use the Standard Food Service Agreement when the estimated annual value of your contracted meals is less than **\$10,000** or when entering into a vending agreement with a school food authority for any dollar amount. For this purpose, a school food authority includes public or private schools, colleges and universities, or another SFSP sponsor.

If the annual aggregate value of all food service contracts is **\$10,000** or more, formal bid contracting procedures as outlined in 7 CFR Part 225.6 are required. This requirement excludes those sponsors who are vending from a school food authority.

This agreement or contract allows the CFSV and sponsor to negotiate the cost of the meals based on whether milk or juice is included. However, to claim reimbursement of the meal, the sponsor is responsible for ensuring each meal includes the milk or juice and any other short or missing component at the point of service.

Both the agency and vendor must sign the agreement. Additional clauses can be added to bring the agreement or contract to conformance with state and federal laws governing your agency. Forbidden clauses are those that require the sponsor to purchase a minimum number of meals on a daily basis.

National School Lunch Program (NSLP) or School Breakfast Program (SBP) vendors may substitute one of the menu planning options offered under the School Meals Initiative (SMI) in lieu of the SFSP meal pattern. The school must have prepared or served meals using the substituted menu planning option in the previous school year. **The sponsor must agree to use the SMI menu planning option the school notes in the contract. If the sponsor agrees to use an SMI menu planning option, the school is required to train the sponsor to identify possible meals that would not be reimbursable.** The SMI menu planning option must meet, at a minimum, the meal requirements for the K-6 grade group. Snack menus must comply with the SFSP Meal Pattern requirement only.

All vending agreements are valid from the date of signature through September 30 of each year. Sponsors must provide a copy of the new agreement when submitting their application each year. The SFSP sponsor and vendor must retain copies of the signed agreement and all amendments.

If you have any questions regarding the use of this agreement or need clarification of the regulatory requirements for contracting, please call your FSU representative.

** If the exclusive contract is with a commercial food service vendor, documentation must be on file that the contracting procedure met the requirements for fair and open competition.*

**AGREEMENT TO PROVIDE FOOD SERVICE
BETWEEN A SUMMER FOOD SERVICE PROGRAM SPONSOR
AND A FOOD SERVICE VENDOR**

Page 2

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5. Maintain such cost records as invoices, receipts and/or other documentation that exhibit the purchase, or otherwise availability to the Vendor, of the meal components and quantities itemized in the meal preparation records.
 6. Maintain, on a daily basis, an accurate count of the number of meals, by meal type, prepared for and delivered/picked up by the Agency. Meal count documentation must include the number of meals requested by the Agency.
 7. Allow the Agency to increase or decrease the number of meal orders, as needed, when the request is made Within the following scheduled delivery time: * HOURS
 8. Present to the Agency an invoice accompanied by reports no later than the _____ day of each month, which itemizes the previous month's delivery. The Vendor agrees to forfeit payment for meals which are not ready within one (1) hour of the agreed upon delivery time, are spoiled or unwholesome at the time of delivery, or do not otherwise meet the meal requirements contained in this agreement. In cases of nonperformance or noncompliance on the part of the Vendor, the Vendor shall pay the Agency for any excess costs the Agency incurs by obtaining meals from another source.
 9. Provide the Agency with a copy of current health certifications for the food service facility in which it prepares meals for the SFSP. The Vendor shall ensure that all health and sanitation requirements of the California Uniform Retail Food Facilities Law, Chapter 4 of the California Health and Safety Code, are met at all times.
 10. Operate in accordance with current SFSP regulations. Comply with all other USDA regulations regarding food service vendors including those specified for commercial food service if applicable.
 11. Retain all required records for a period of three (3) years after the end of the fiscal year to which they pertain (or longer, if an audit is in progress). Upon request, make all accounts and records pertaining to the agreement available to a certified public accountant hired by the Agency, representatives of the CDE, USDA, and the Office of Inspector General for audits or administrative reviews at a reasonable time and place.
 12. Not subcontract for the total meal, with or without milk, or for the assembly of the meal.
 13. Be paid by the Agency for all meals delivered/picked up in accordance with the agreement. Neither the CDE nor the USDA will assume any liability for payment of differences between the number of meals prepared for delivery and/or pickup by the Vendor and the number of meals served by the Agency that are eligible for reimbursement.
 14. Accept commodities from the Agency. The commodities will be used in the preparation of meals provided for the SFSP. The Vendor will reduce the price of the meals by the fair market value of the commodities used in the meals. Price reductions will be itemized on the invoice. All commodities until used are the property of the Agency.

* Negotiable time frame, but should be no longer than 24 hours

**AGREEMENT TO PROVIDE FOOD SERVICE
BETWEEN A SUMMER FOOD SERVICE PROGRAM SPONSOR
AND A FOOD SERVICE VENDOR**

Page 4

TERMS OF THE AGREEMENT:

This agreement will take effect commencing on _____ and shall end on _____, but no later than September 30. This agreement may be terminated by either party giving notice at least 30 days prior to the date of termination. The Agency shall have the option to cancel this contract if the federal government withdraws funds to support the SFSP. It is further understood that in the event the contract is cancelled, the Agency shall be responsible for meals that have already been assembled, delivered/picked up in accordance with this agreement.

SCHOOL VENDORS:

Enter the SMI planning option(s) you will use if it is not the standard SFSP Meal Pattern: _____

If the Agency agrees to the menu planning option, the school will train the Agency by: _____

AGENCY:

Agrees to allow the school to use the SMI menu planning option noted above: Yes No

In witness thereof, the parties hereto have executed this agreement as of the dates indicated below:

VENDOR OFFICIAL (SIGNATURE)	AGENCY OFFICIAL (SIGNATURE)
VENDOR OFFICIAL NAME (PRINT)	AGENCY OFFICIAL NAME (PRINT)
TITLE	TITLE
TELEPHONE NUMBER	TELEPHONE NUMBER
DATE	DATE

RESOLUTION NO.
Adopted by the Sacramento City Council

**SUMMER FOOD SERVICE PROGRAM OPERATION APPROVAL
AND STATUS REPORT**

BACKGROUND

- A. The Parks and Recreation Department has been a fiscal and administrative sponsor of the Summer Food Service Program for twenty-two years and has operated the program throughout the Sacramento region with no General Fund support.
- B. Each year free meals are served to thousands of children through age 18 at a time of year when most school lunch programs are not in operation, ensuring that these children do not go hungry.
- C. The program operates primarily during the summer, although a few sites operate year-round. Lunches and snacks are served at most sites, although a few sites serve breakfast.
- D. Approval for the City's participation in the Summer Food Service Program expires on September 30, 2006, and authorization is required to continue participation through 2009.
- E. Contracts with food service providers expire on March 31, 2007, and new contracts will be required in future years. Contracts will generally follow the format dictated by the California Department of Education, and terms must be in compliance with the Code of Federal Regulations.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The Department of Parks and Recreation is authorized to continue its year-round participation in the Summer Food Service Program throughout the Sacramento region through 2009.
- Section 2. The City Manager is authorized to sign all agreements and documents, including any extensions, amendments or re-applications thereto, with the California Department of Education and with local school districts and other licensed food service providers as necessary to apply for and accept annual grant funding up to \$748,296 and to operate the Summer Food Service Program through 2009.
- Section 3. The Operating Grant expenditure and revenue budgets are amended to

reflect annual state funding as follows:

FY07

250-OGR-G622-4101	Employee services	\$75,000
250-OGR-G622-4xxx	Supplies/services	\$673,296
250-OGR-G622-3512	Federal grant revenue	\$748,296

FY08

250-OGR-G623-4101	Employee services	\$75,000
250-OGR-G623-4xxx	Supplies/services	\$673,296
250-OGR-G623-3512	Federal grant revenue	\$748,296

FY09

250-OGR-G624-4101	Employee services	\$75,000
250-OGR-G624-4xxx	Supplies/services	\$673,296
250-OGR-G624-3512	Federal grant revenue	\$748,296

