



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Angel Rios, Jr.

**SUBJECT:** SEE BELOW

**DATE:** May 14, 2018

Approved

Date

5-23-18

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL (RFP) FOR SENIOR  
NUTRITION SITE PROVIDER**

## RECOMMENDATION

- (a) Accept the report on the Request for Proposal for the Senior Nutrition Program; and
- (b) Adopt a resolution authorizing the City Manager to:
  - (1) Negotiate and execute an Agreement, subject to appropriation of funds by City Council, with Bateman Community Living, a division of Compass Group, to provide Citywide Senior Nutrition Service for an initial one-year term commencing on July 1, 2018 through June 30, 2019, with a maximum compensation amount not to exceed \$2,516,000 during the first twelve months of the initial term; and
  - (2) Execute five (5) one-year options to renew the agreement, subject to annual appropriation of funds by City Council.

## OUTCOME

The City of San José's Senior Nutrition Program provides healthy congregate meal service at 13 Senior Nutrition sites. This program supports County dietary requirements and provides increased opportunities for socialization among seniors. The agreement will continue to support on-site preparation of senior nutrition meals at 11 of the 13 City nutrition sites, while continuing to deliver catered meals to the remaining two sites (Alviso and Camden Community Centers).

## **BACKGROUND**

The Department of Parks, Recreation and Neighborhood Services (the Department) delivers a wide variety of senior services, including the Senior Nutrition Program. Since 2011, Bateman Community Living, a division of Compass Group, Inc. (Bateman), has been the service provider for the Senior Nutrition Program. In January 2015, the Department transitioned the Senior Nutrition Program to a cook on-site model, and Bateman continued to be the provider. Since the transition, the average number of daily meals increased from 800 meals per day to 920 meals per day.

On October 4, 2017, the Department released a Request for Proposal (RFP) to solicit senior nutrition service providers. The request was posted on BidSync.com, the City's e-procurement system, for 10 weeks and closed on December 7, 2017. The City requested interested providers to submit bids for a congregate cook on-site and catered meal service programs for the City of San José's 13 Senior Nutrition sites.

## **ANALYSIS**

The City received responses to the Senior Nutrition Program Request for Proposal from two agencies, including:

- Bateman Community Living (Atlanta, Georgia); and
- Valley Services, Inc. (Flowood, Mississippi).

Both proposals met the minimum qualifications of the RFP, and a three-member evaluation team independently evaluated and scored each against the following weighted criteria: Program Design (30%), Experience & Expertise (20%), Capacity (20%), Environmental Sustainability (5%), Cost (15%), and Local and Small Business Preference (5% each).

After the evaluation team scored the written proposals, the proposing agencies conducted oral presentations regarding their respective operational plans. Staff compiled the scores of those presentations and, due to the competitive range of the scores, deemed it necessary to solicit a Best and Final Offer from each of the two proposing agencies.

In accordance with the RFP parameters, staff requested clarifying information from both agencies regarding the cost and types of meals proposed. Staff evaluated the Best and Final Offers, and recalculated the scores for Program Design and Cost.

The final scores are in the table shown below:

<b>Evaluation Criteria</b>	<b>Total Weight</b>	<b>Bateman Community Living</b>	<b>Valley Services, Inc.</b>
<b>Program Design</b>	30%	23.29	25.71
<b>Experience &amp; Expertise</b>	20%	17.87	18.00
<b>Capacity</b>	20%	13.33	12.53
<b>Environmental Sustainability</b>	5%	3.33	4.67
<b>Cost</b>	15%	14.64	15.00
<b>Local Business</b>	5%	5.00	0.00
<b>Small Business</b>	5%	0.00	0.00
<b>Total</b>	<b>100%</b>	<b>77.46</b>	<b>75.91</b>

The City’s process included a ten-day protest period that commenced when the City issued the Notice of Intended Award on March 15, 2018. No protests were received.

**Award Recommendation Summary:** Staff recommends award of contract to Bateman because the evaluation panel ranked the proposal highest, per the evaluation criteria set forth. As an existing partner, Bateman has demonstrated a commitment to continuous improvement regarding its services and its flexibility in accommodating the needs and desires of San José’s culturally diverse senior community.

**Wage Requirements:** Bateman will be required to adhere to the City of San José’s Living Wage Policy (City Council Policy 3-3) and/or the prevailing wage rate requirements established by the Department of Industrial Relations, as applicable.

**Summary of Agreement:** The initial term of the agreement will be for one year, with five one-year options to renew, for a total of six years. Compensation is “fixed price” based on cost per meal served. Bateman will invoice the City monthly for expenses made in the previous month based on the City’s monthly cost invoice form, which specifies the line item allocations as defined by the County Senior Nutrition Program. Bateman will submit its completed monthly invoice forms with receipts by the 10<sup>th</sup> business day of the month immediately following the month in which services are performed. The agreement will include a termination for convenience clause that allows the City to terminate the agreement at any time and for any reason with 30 days’ written notice.

**EVALUATION AND FOLLOW-UP**

This memorandum will not require any staff follow up.

**PUBLIC OUTREACH**

This memorandum will be posted on the City’s website for the June 5, 2018 City Council Agenda.

**COORDINATION**

This memorandum was coordinated with the City Manager’s Budget Office and the City Attorney’s Office.

**COMMISSION RECOMMENDATION/INPUT**

This proposal was presented to the City of San José’s Senior Citizens Commission on April 12, 2018 and there were no objections to the selection.

**FISCAL/POLICY ALIGNMENT**

This action is consistent with the City’s 2017-2018 Adopted Operating Budget City Services Areas Delivery Framework, “to serve, foster, and strengthen the community by providing access to lifelong learning, opportunities to enjoy life, and preserving healthy neighborhoods.”

**COST SUMMARY/IMPLICATIONS**

If approved, the City’s initial agreement with Bateman and its subsequent one-year options to renew are subject to the annual appropriation of funds by the City Council. The costs summarized below reflect those for 2018-2019, exclusively. The cost for subsequent years will be determined via negotiation with Bateman. While administrative increases are typically limited to 3% per year, costs could be subject to increases above that threshold based on annual inflationary adjustments to the City’s Living Wage, which is driven by the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-San José area.

- 1. AMOUNT OF RECOMMENDATION: Up to \$2,516,000
- 2. COST ELEMENTS OF AGREEMENTS/CONTRACTS:

Description	Estimated Year One Cost
12-Nutrition Sites	\$2,453,475.70
Alviso-Catered	\$5,994.50
Roosevelt-Saturdays only	\$56,274.10
<b>Total</b>	<b>\$2,515,744.30</b>

3. SOURCES OF FUNDING:

	Current Contract	Contract (July 2018 – June 2019)	Increase from 17/18 to 18/19
County of Santa Clara (approx. 2/3) – Reimbursement Revenue	\$1,578,862.54	\$1,677,246.72	\$98,384.18
City of San José (approx. 1/3) – General Fund Appropriation	\$789,312.86	\$838,497.58	\$49,184.72
<b>Total Funding</b>	<b>\$2,386,175.40</b>	<b>\$2,515,744.30</b>	<b>\$147,568.90</b>

**BUDGET REFERENCE**

The table below identifies the fund and appropriation to fund the agreement recommended as part of this memorandum subject to the approval of the 2018-2019 Proposed Operating Budget. The adoption of the 2018-2019 Operating Budget will be brought forward for City Council approval on June 19, 2018.

Fund #	Appn #	Appropriation Name	2018-2019 Proposed Budget Total Appn	Amt. of Agreement	2018-2019 Proposed Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	Non-Personal / Equipment	\$24,050,096	\$2,516,000		
<b>Total</b>				<b>\$2,516,000</b>		

**CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/  
 ANGEL RIOS, JR.  
 Director of Parks, Recreation and  
 Neighborhood Services

For questions, please contact Neil Rufino, Deputy Director, at (408) 535-3576.