



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kip Harkness  
Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** October 27, 2020

Approved

Date

**10/28/2020**

**SUBJECT: FOOD DISTRIBUTION AGREEMENTS FOR MEAL AND DELIVERY  
REQUEST FOR PROPOSAL**

## **RECOMMENDATION**

Accept the report on the Request for Proposals and adopt a resolution authorizing the City Manager to:

- (a) Negotiate and execute an agreement with The Health Trust (San José, CA) for intake, meal preparation and meal delivery to eligible San José residents for adult meals for a maximum compensation of \$264,000 for an initial term retroactive to November 2, 2020 and ending December 30, 2020, and up to 4 three-month options through December 31, 2021, subject to the appropriation of funds;
- (b) Negotiate and execute an agreement with Off the Grid, LLC (San Francisco, CA) for intake, meal preparation and meal delivery services to eligible San José residents for adult and youth meals for a maximum compensation of \$622,400, for an initial term retroactive to October 21, 2020 through December 30, 2020, and up to 4 three-month options through December 31, 2021, subject to the appropriation of funds;
- (c) Negotiate and execute an agreement with Off the Grid, LLC (San Francisco, CA) for intake, grocery shopping and delivery to San José residents for a maximum compensation not to exceed \$2,313,360, for an initial term retroactive to October 21, 2020 through December 30, 2020, and up to 4 three-month options through December 31, 2021, subject to the appropriation of funds; and
- (d) Negotiate and execute amendments and change orders for any unanticipated changes, subject to the appropriation of funds.

## **OUTCOME**

The recommended actions will enable the City of San José (City) to provide meals and groceries to individuals and families in the City experiencing food insecurity and other impacts due to the COVID-19 pandemic.

## **BACKGROUND**

As a result of local, state, and federal mandates and advisories in response to COVID-19, the City Emergency Operations Center (EOC) received a request on March 18, 2020 from the County of Santa Clara (County) EOC to set up, administer, and staff a countywide free food distribution program for children, adults, and senior citizens impacted by the COVID-19 Emergency. At the time of the initial response, the City formed partnerships with multiple organizations to address the immediate needs to provide prepared meals and groceries to residents within San José and throughout Santa Clara County without undergoing a competitive process pursuant to San José Municipal Code Section 4.12.220 for sole sourcing under a public emergency and Federal procurement guidance under 2 C.F.R. Section 100.320(f)(2). As the COVID-19 pandemic has persisted, the City has begun conducting competitive solicitations in order to comply with Federal procurement guidance.

The outbreak of COVID-19 and its continued effects have resulted in an increased number of individuals that require home-delivered meals and/or groceries. To address the needs of our most vulnerable communities and to encourage compliance with shelter-in-place orders, the City administered a Meal and Grocery Delivery Request for Proposal (RFP) seeking applicants that have experience in delivering prepared meals or groceries to individuals' homes and/or has the capacity to partner with other organizations to run a comprehensive prepared meal/grocery delivery program (Program). The selected vendors will identify populations who are considered at higher risk of serious illness from COVID-19 and should shelter-in-place or those who have been impacted economically by the shelter-in-place orders.

## **ANALYSIS**

In August 2020, the Finance Department released a Request for Proposals (RFP) for Meal and Grocery Delivery services through the City's e-procurement system. The RFP allowed proposers to submit proposals for Meal Delivery to adults and youths, Grocery Delivery, or both. Sixty-six (66) companies viewed the RFP, and 4 proposals from 3 vendors were received prior to the submittal deadline as follows:

1. Off the Grid, LLC (Off the Grid) submitted proposals for Meal Delivery to adults and youths and Grocery Delivery;
2. The Health Trust submitted a proposal for Meal Delivery services for adults only; and

3. Second Harvest of Silicon Valley submitted a proposal for Grocery Delivery but was determined to be non-responsive because they stated they were unable to meet the federal funding reporting requirements in their proposal response.

***Evaluation Process:***

Meal Delivery: The two proposals were reviewed and scored in accordance with the evaluation criteria set forth in the RFP by a four-member evaluation team from the Department of Parks, Recreation and Neighborhood Services. The evaluation summary for Meal Delivery is summarized as follows:

<b>Evaluation Summary – Adult Meals</b>	<b>Maximum Points</b>	<b>The Health Trust</b>	<b>Off the Grid, LLC.</b>
General Requirements	15	10	11
Experience and Qualifications	25	16	14
Project Approach / Schedule	20	10	13
Technical Capabilities	20	12	12
Cost - Adult Meals	20	20	12
<b>Total Score</b>	<b>100</b>	<b>68</b>	<b>62</b>

<b>Evaluation Summary – Youth Meals</b>	<b>Maximum Points</b>	<b>Off the Grid, LLC.</b>
General Requirements	15	11
Experience and Qualifications	25	14
Project Approach / Schedule	20	13
Technical Capabilities	20	12
Cost - Youth Meals	20	20
<b>Total Score</b>	<b>100</b>	<b>70</b>

Grocery Delivery: The sole responsive proposal from Off the Grid was reviewed by a subject matter expert from the Department of Parks, Recreation and Neighborhood Services, rather than a full evaluation team, to verify that the vendor’s proposal response met or exceeded the City’s requirements.

***Local and Small Business Enterprise Preference:*** As these agreements will be funded in part or wholly with federal funds, pursuant to San José Municipal Code 4.12.330, the City’s Local and Small Business (LBE/SBE) Enterprise Preference does not apply.

***Protest:*** The City’s RFP process included a ten-day protest period that began when the City issued the Notice of Intended Award on September 18, 2020. No protests were received.

***Award Recommendations:*** The RFP allows the City to issue multiple awards. Staff recommends award of contracts as follows:

The Health Trust for Meal Delivery whose proposals met or exceeded all RFP specifications, particularly in the following key areas:

- Extensive experience, knowledge, and expertise in providing meals to target population.
- Established partnerships within San José to facilitate the identification of residents in need of receiving services.
- Comprehensive menu and meal planning expertise.

Off the Grid for Meal Delivery whose proposals met or exceeded all RFP specifications and was the sole responsive proposal providing Youth Meals, particularly in the following key areas:

- Comprehensive plan and established partnerships to identify and deliver meals to individuals meeting the Center for Disease Control and Prevention definition of high risk for severe illness from COVID-19.
- Experience providing emergency meal delivery during the pandemic in San Francisco and Oakland through the Great Plates Delivered program.

Off the Grid for Grocery Delivery as the sole responsive proposal for these services and whose proposals met or exceeded all RFP specifications, particularly in the following key areas:

- Comprehensive plan and had established partnerships to identify and deliver meals to the individuals meeting the Center for Disease Control and Prevention definition of high risk for severe illness from COVID 19.
- Experience providing emergency meal delivery during the pandemic in San Francisco and Oakland through the Great Plates Delivered program.

Staff conducted reference checks for Off the Grid with the City of Oakland, the San Francisco Department of Disability and Aging Services, San José Quilt Museum, City of San José - Office of Economic Development and Cultural Affairs, and City of San José - Department of Neighborhood, Parks, and Recreation Services. All references were positive.

Staff conducted reference checks for The Health Trust with the City of San José - Department of Housing, Project Open Hand, and the Santa Clara County Department of Aging and Adult Services. All references were positive.

***Summary of Proposed Agreements:*** The agreements will be in accordance with the City's standard terms and conditions and include the following provisions:

- Vendors will market the Program, identify potential participants, and conduct intake and screening for individuals and families receiving meals to ensure eligibility. An individual is considered eligible for the Program if he/she:
  - Meets the Center for Disease Control's definition of individuals at high risk for severe illness from COVID-19, or

- Has suffered from employment or business interruptions due to COVID-19-related business closures, and
- Does not currently have other assistance purchasing food or cooking meals on a consistent basis.
- Vendors must comply with provisions for federally funded agreements which includes, but not limited to, maintaining all records associated with this Program for five years and maintaining records verifying the population served matched the population as set forth in the RFP.

The term of the agreements with both The Health Trust and Off the Grid are retroactive to maximize the use the Coronavirus Relief Funds, which must be spent before December 30, 2021, and to quickly address the needs of residents that are facing food insecurity during the COVID-19 pandemic.

## **CONCLUSION**

Approval of the recommended actions will enable the City to continue to provide meals and groceries to individuals and families experiencing food insecurity and other impacts due to the COVID-19 pandemic and allow the City to remain in compliance with FEMA for procuring services through a solicitation process.

## **EVALUATION AND FOLLOW-UP**

Staff will monitor progress on the rate at which the funding is spent. If the funding cannot be fully expended by December 30, 2020, staff may return to Council with a recommendation on how to award the funds to food distribution organizations.

## **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the City of San José Council meeting to be held on November 3, 2020.

**COORDINATION**

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

**COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

**FISCAL/POLICY ALIGNMENT**

This Council item is consistent with the 2020-2021 Adopted Budget and City Services Area of Neighborhood Services to provide healthy neighborhoods and capable communities. The Meal and Grocery Delivery Program are also part of the Emergency Operations Center response to the public health emergency by facilitating the sheltering-in-place of vulnerable residents and by addressing the food insecurity of residents affected economically by the shelter-in-place orders. These actions are in line with the guidance given by the United States Treasury Department on the intended purposes of these funds. On September 22, 2020, the City created Ordinance 30482 which designated the use of \$12,000,000 from the Coronavirus Relief Fund to be allocated towards Food and Necessities. This Meal and Grocery Distribution Program is projected to have a not-to-exceed amount of \$3,199,760.

**COST SUMMARY/IMPLICATIONS**

**1. AMOUNT OF RECOMMENDATION (initial term):** **\$3,199,760**

**2. COST ELEMENTS:**

Meal Delivery for 10 weeks

**Off the Grid** - ~2,400 Adult Meals/Week at \$19.00 per Meal.

**Off the Grid** - ~ 1,040 Youth Meals/Week at \$16.00 per Meal **\$622,400**

**The Health Trust** – ~2,400 Adult Meals/Week at \$11.00 per Meal. **\$264,000**

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**Meal Delivery Costs (Initial Term) **\$886,400****

Grocery Delivery (weekly) for 10 weeks

**Off the Grid** - ~4,284 Boxes/Week at \$54.00 per Box. **\$231,336**

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**Grocery Delivery Costs (Initial Term) **\$2,313,360****

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**INITIAL TERM NOT-TO-EXCEED **\$3,199,760****

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**3. SOURCE OF FUNDING:** Coronavirus Relief Fund (401), Food and Necessities Appropriation (210R).

**4. FISCAL IMPACT:** The agreements will be funded by the Coronavirus Relief Fund.

**BUDGET REFERENCE**

The table below identifies the funds and appropriations to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	2020-2021 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
401	210R	Food and Necessities	\$12,000,000	\$3,199,760	N/A	9/22/2020, 30482

\* The FY 2020-2021 Proposed Operating Budget was adopted by Council on June 23, 2020 but is not yet published.

**CEQA**

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

/s/  
KIP HARKNESS  
Deputy City Manager

/s/  
JULIA H. COOPER  
Director of Finance

For program-related questions, please contact Dolan Beckel, Director of Civic Innovation, EOC Food and Necessities Distribution Branch at (408) 745-9696. For procurement-related questions, please contact Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059.