



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lee Wilcox
Jim Shannon

**SUBJECT: ACTIONS RELATED TO THE
CORONAVIRUS RELIEF FUND**

DATE: May 8, 2020

Approved

Date

5/11/2020

RECOMMENDATION

- (a) Approve an ordinance amending Chapter 4.80 of Title 4 of the San José Municipal Code to add a new part to establish the Coronavirus Relief Fund.
- (b) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Coronavirus Relief Fund:
 - (1) Establish an estimate for Revenue from the Federal Government in the amount of \$178,295,248; and
 - (2) Establish an appropriation for COVID-19 Emergency Response in the amount of \$45,000,000; and
 - (3) Establish COVID-19 Emergency Response Reserve in the amount of \$133,295,248.
- (c) Ratify the Agreement to Provide Meals for Limited Duration During COVID-19 Disaster between the City of San José and Revolution Foods, Inc. (Oakland, CA) ("First Agreement with Revolution Foods") executed on April 13, 2020 to purchase and deliver ready-to-eat meals primarily to adults aged 19+ experiencing food insecurity due to the impacts of the COVID-19 pandemic beginning March 31, 2020 and ending on June 23, 2020 with two 45-day options to extend the term through September 21, 2020, for a maximum compensation not to exceed \$1,900,000; and
- (d) Adopt a resolution authorizing the City Manager to:
 - (1) Negotiate and execute an Agreement to Provide Meals for Limited Duration between the City of San José and Team San Jose (San José, CA) to provide meals to unhoused individuals beginning March 31, 2020 and ending on June 23, 2020 with a maximum compensation not to exceed \$1,071,000 for the initial term;
 - (2) Negotiate and execute an Agreement to Provide Meals for Limited Duration between the City of San José and Revolution Foods, Inc. (Oakland, CA) ("Second Agreement with Revolution Foods") to secure capacity for individuals experiencing food insecurity due to the impacts of the COVID-19 pandemic beginning on or around May 11, 2020 through June 11, 2020, with up to two options to extend the term through August 10, 2020 with a maximum compensation not to exceed \$22,000,000;

- (3) Negotiate and execute an Agreement to Provide Meals for a Limited Duration between the City of San José and World Central Kitchen (Washington, DC) to procure and deliver meals to higher risk-eligible individuals aged 60+ for an initial term through June 10, 2020 with a maximum compensation not to exceed \$3,564,000;
 - (4) Negotiate and execute an Agreement to Provide Meals for a Limited Duration between the City of San José and The Health Trust (San José, CA) to prepare and deliver frozen meals to higher risk-eligible individuals aged 60+ and to unhoused individuals beginning March 17, 2020 through May 15, 2020 with a maximum compensation not to exceed \$696,452;
 - (5) Execute a Purchase Order with First 5 Santa Clara County (San José, CA) for the purchase of diapers, wipes, and baby formula products to distribute to families experiencing food insecurity and to mitigate the effects of COVID-19 through June 12, 2020 for a maximum not-to-exceed compensation of \$511,348; and
 - (6) Negotiate and execute an Agreement to Provide Meals for Limited Duration between the City of San José and San Jose Unified School District to provide meals to students and their families beginning on or about March 23, 2020 and ending on or about May 22, 2020 with a maximum compensation not to exceed \$2,400,000.
- (e) Adopt a resolution authorizing the City Manager to:
- (1) Exercise one 45-day option to extend the term of the Agreement to Provide Meals for Limited Duration between the City of San José and Team San Jose for a maximum not-to-exceed compensation of \$573,750;
 - (2) Exercise one 30-day option to extend the term of the Agreement to Provide Meals for Limited Duration between the City of San José and World Central Kitchen; and
 - (3) Exercise one 30-day option to extend the term of the Agreement to Provide Meals for Limited Duration between the City of San José and The Health Trust.

OUTCOME

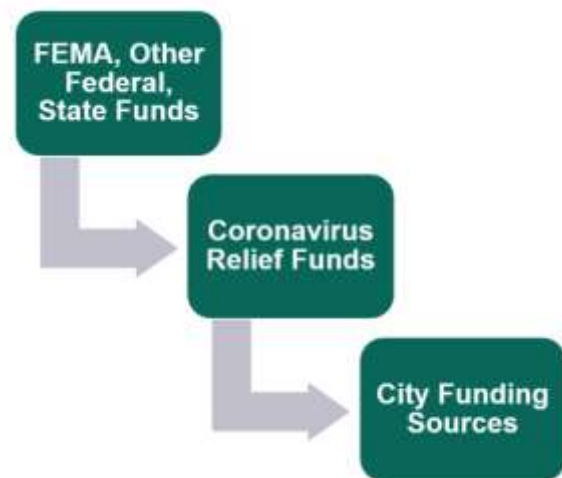
The recommended actions recognize Coronavirus Relief Funds from the United States Department of Treasury in a designated fund to separately account for eligible activities, provide budget to support continued emergency operations, and ratify and execute various agreements in support of the City's response to the COVID-19 pandemic.

BACKGROUND

At the April 28, 2020 City Council meeting, under item 3.1, staff presented the Council with a framework for how coronavirus emergency response activities would be funded. The framework envisions a funding "waterfall" that would prioritize the use of available funding sources with the ultimate goal of minimizing impacts to the General Fund. The first priority would be to fund

emergency response activities from the most restrictive sources, such as the Federal Emergency Management Agency (FEMA) or other state and federal sources. FEMA will only reimburse for certain activities, such as emergency operations center expenses or personal protective equipment (PPE) purchases.

For expenses that do not qualify for FEMA reimbursement or other restrictive sources, the second option would be to fund them out of the City's allocation from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the \$2 trillion federal relief bill signed into law in late March 2020. The City has received funding under several provisions of the CARES Act; the most significant allocation is approximately \$178 million from the Coronavirus Relief Fund.



The City must abide by specific restrictions on how this allocation is spent. The CARES Act provides that payments from the Fund may only be used to cover costs that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

The U. S Department of the Treasury ("Treasury") issued guidance and frequently asked questions (FAQ) to address eligible and ineligible expenditures of Coronavirus Relief Funds. Treasury's guidance makes clear that the Coronavirus Relief Funds cannot be used to backfill lost revenues due to COVID-19 or for items approved in the City's budget for fiscal year 2019-2020 as of March 27, 2020. Eligible expenditures are generally categorized as follows: medical, public health, payroll expenses for public safety, public health, health care human services and similar employees who are substantially dedicated to mitigating and responding to the COVID-19 public health emergency, actions to facilitate compliance with COVID-19 public health measures, provision of economic support in connection with the COVID-19 public health emergency and a general category of COVID-19 related expenses reasonably necessary to the function of government that meet the eligibility requirements.

As with any federal funds, should the City use Coronavirus Relief Funds to support an expenditure that is subsequently submitted to and reimbursed by another funding source, be it federal or otherwise, the Coronavirus Relief Funds will be made whole by the amount of monies

reimbursed by that other source or sources of funds. This is to avoid the federal legal prohibition on duplication of benefits.

The Administration's intent is to minimize the impact on the General Fund. Response activities would only be funded out of the General Fund if they could not be reimbursed or funded from any of the preceding sources in the waterfall and are subject to Council appropriation. Through previous City Council action on April 7, 2020¹, resources were established for COVID-19 activities in the Emergency Reserve Fund that included a transfer of \$10.0 million from the General Fund's 2019-2020 Ending Fund Balance Reserve and a reallocation of \$500,000 from the Emergency Reserve Ending Fund Balance. The purpose of the \$10.5 million allocation is to support emergency response activities, such as food distribution, homeless sheltering, continuity of operations, purchase of personal protective equipment, and to support emergency operations center (EOC) activities. Consistent with the funding waterfall outlined above, the Administration will seek reimbursements from FEMA and other state and federal sources to offset expenditures from the General Fund, to the maximum extent possible.

The Council has also taken action to fund the City's goal of urgently sheltering vulnerable homeless residents through a variety of congregate and non-congregate shelters, with the aim of protecting them and the general public from COVID-19. On April 7, 2020, the City Council approved various Mayor and City Council memorandums, ratified the City Manager's COVID response and Shelter Crises declaration, and directed the City Manager to immediately and urgently build out emergency housing in response too various COVID needs through the reallocation of \$17,232,510 of Homeless Housing, Assistance, and Prevention (HHAP) funds towards the lease, purchase, and/or construction of emergency interim housing. On April 21, the Council appropriated these funds for the stated purpose. At that time, staff indicated that given the early stages of project development on the sites, staff was not able to definitively identify the funding need to deliver emergency interim housing on all three sites, and any subsequent appropriation action would be brought back to the City Council. Additional funding needs for this program are described in the Analysis section below.

Finally, staff has also been working to ensure that vulnerable residents continue to have access to food and other necessities. As a result of local, state, and federal mandates and advisories in response to COVID-19, the City 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. In furtherance of this effort, on April 13, the City Manager executed a contract with Revolution Foods to purchase and deliver ready-to-eat meals primarily to adults aged 19+ experiencing food insecurity due to the impacts of the COVID-19 pandemic. Staff is also in the process of

¹ The appropriation action on April 7, 2020 also recognized and appropriated \$3.9 million in new Homeless Housing and Assistance Prevention (HHAP) funding authorized by SB89. On April 21, 2020, this funding was reallocated to the Multi-Source Housing Fund to help fund the establishment and operation of non-congregate sheltering for homeless individuals and families with health and medical needs.

negotiating contracts with Team San Jose, World Central Kitchen, The Health Trust, First 5 Santa Clara County and a second agreement with Revolution Foods to secure capacity to address the potential increase in demand for food.

In a meeting with FEMA staff on Sunday, May 3, 2020, the City confirmed that certain types of activities contemplated under the food service contracts proposed for approval under this item would not be eligible for FEMA reimbursement. More detail on FEMA reimbursements is provided in the analysis section below. At the Council meeting on May 5, 2020, the Administration recommended, and the Council approved, the deferral of this item to the May 12, 2020 agenda, to allow additional time for staff to evaluate the funding strategy for these contracts. in light of FEMA's position on expenditures eligible for reimbursement and FEMA's requirement that each jurisdiction seek reimbursement for expenditures for its residents.

ANALYSIS

Establishment of City's Coronavirus Relief Fund

So that the CARES Act Coronavirus Relief Funds may be budgeted and accounted for separately from other City funds, staff recommends that the Council approve the ordinance establishing the City's Coronavirus Relief Fund. The proposed ordinance requires that the moneys deposited in the Coronavirus Relief Fund be expended as required by the CARES Act. Interest earnings in the City's Coronavirus Relief Fund must be used only for the purposes specified in the CARES Act and may not be transferred to the City's General Fund. This is consistent with a Treasury Department FAQ on the required use of interest earnings.

Appropriation Actions

The recommended actions in this memorandum and corresponding initiatives authorize and appropriate sufficient funding for uninterrupted COVID-19 response activities. Recommendations (a) and (b) propose to recognize the approximately \$178 million in coronavirus relief funds allocated to the City as part of the CARES Act, and appropriate \$45 million of that total to support emergency response initiatives, which are described in detail below. Some of the below initiatives are also funded by General Fund resources set aside by the City Council on April 7, 2020 as part of the Emergency Reserve Fund. As discussed above, the Administration will seek to offset these General Fund expenditures with FEMA reimbursements or other available state or federal funding. Applications for expedited FEMA funding have been submitted, with others currently in progress. Pending the outcome of those applications, recommendations will be brought forward to rebalance outlays for reimbursable activities between the Emergency Reserve Fund, Coronavirus Relief Fund, and other impacted City funds as necessary.

The Administration continues to proactively and strategically lead multiple initiatives to address the emergent and rapidly evolving needs of the community. Those recommended for funding from the Coronavirus Relief Fund and Emergency Reserve Fund are described below.

Temporary Sheltering and Related Supportive Service Needs

As discussed in the Background section, on April 21, 2020, the City Council appropriated \$17,232,510 of HHAP funds for the lease, purchase, and/or construction of emergency interim housing. At the time, staff indicated that any subsequent appropriation action would be brought back to the City Council once staff had definitively identified the funding need to deliver emergency interim housing on all three sites.

To implement City Council direction, and comply with State and County public health directives, the City is developing three Emergency Interim Housing sites for vulnerable unsheltered individuals and families to be able to shelter in place. Understanding that these public health investments can help address the intersecting shelter crisis, the sites will also provide transitional housing and future Bridge Housing after the immediate public health emergency. In total, developing and delivering emergency interim housing on the three sites has a preliminary estimated cost of \$26.6 million, and would add an estimated 308 unit/bed capacity. Taken together, these projects will allow the City to make significant progress in providing shelter to its most vulnerable residents, both during the emergency and after it's over.

Emergency Interim Housing is part of a broader City-County shelter plan to keep homeless residents, and by extension other residents, safe during COVID-19 and shelter in place orders. The City is also providing needed temporary shelter through congregate temporary shelter sites (Parkside, South Hall, and Camden Community Center), Bridge Housing Communities that are operational or under development, overnight warming locations, and a FEMA trailer temporary site at Kelley Park/Happy Hollow. All of these sites posed unanticipated emergency costs to expeditiously stand up and operate, and will accrue additional costs to de-commission. Further, to ensure that homeless residents are provided with a safe, secure, and stabilizing environment in all temporary shelters, and that the surrounding communities receive well-run and safe facilities, appropriate operating and supportive services are required through December 31, 2020.

Providing stabilizing shelter and services is the priority; however, for those people remaining in encampments, the City is providing outreach, hygiene, and sanitation resources to support their ability to protect themselves as recommended by CDC guidance. The additional funding needed to develop, deliver, operate, and de-commission these projects and ancillary activities for this at-risk population, over and above the \$17.2 million in HHAP funds already allocated on April 21, 2020 for that purpose, is proposed to be provided by the Coronavirus Relief Fund.

Continuity of Essential Services

The City of San José continues to incur significant expenses to equip its front-line service providers with PPE, to properly sanitize facilities and equipment for safe use, and for the general management and delivery of the emergency response initiatives to which a significant number of existing staff has been reassigned. The Administration has submitted an expedited FEMA funding request for PPE and Disinfection (Janitorial) services for the first 30 days of the COVID-19 event and is currently pursuing expedited FEMA funding for expenses related to the Emergency Operations Center (EOC) and Department Operations Center (DOC).

Funding-Required Procurement Strategy and Documentation

Given that the City will need to maximize FEMA or other grant-related reimbursement for expenses related to the COVID-19, the City must follow the federal and local procurement regulations. All federally funded grants must be conducted according to Title 2 of Code of Federal Regulations (CFR), Part 200. Should FEMA update and expand population eligibility requirements in the future, or should the Treasury Department later provide stricter guidance on procurement, City Administration recommends that we follow the federal procurement and contracting regulations for all COVID-19 related purchases to maximize the City's ability to comply with future reimbursement opportunities as they develop.

Under 2 C.F.R. Section 200.320(f)(2), noncompetitively procured contracts are allowed by FEMA when exigent and emergency circumstances exist that will not permit a delay resulting from a competitive solicitation. FEMA confirms that for the duration of the public health emergency, exigent and emergency circumstances exists. To continue purchases or services after this period, FEMA requires agencies to transition all contracts to competitively-procured agreements conducted in accordance to federal and local procurement regulations to maintain reimbursement eligibility. City Administration believes the City can make a case that a local emergency and exigent circumstance currently exist due to the County's shelter-in-place order, but should transition to competitive procurements as soon as practicable without disrupting service to ensure continued reimbursement eligibility.

The Administration is anticipating and adapting to changing community needs during this uncertain period and is committed to matching evolving resource requirements with the optimal funding sources to preserve the fiscal health of the City and plan for recovery post-COVID. This includes the documentation of emergency response operations and financial activity for the expedited FEMA funding applications for food distribution, EOC/DOC operations, and PPE.

Food & Necessities Distribution

Context and Approach

The County of Santa Clara requested the City of San José lead countywide food and necessities distribution during the COVID-19 emergency response, recovery period, and at least until December 31, 2020. The County public health office restrictions, triggered by the COVID-19 pandemic – to shelter-in-place, shut down non-essential businesses and close schools – has increased demand for food distributed through County, City, Community-Based Organizations and school food programs. These entities have insufficient capacity and resources to meet the expanding food needs within their existing food distribution network.

Food and other necessities distribution is underway with public, non-profit, and private partners to forecast and satisfy the rapidly evolving need for populations experiencing food insecurity due to the impacts of the COVID-19 pandemic. Through the current distribution framework, upwards of 500,000 meals are distributed daily through community based organizations, schools, and City of San Jose contracts, with meals being provided to different participants such as the medically vulnerable, seniors, low income children, families forced into poverty due to the impacts of shelter in place and associated economic downturn, and the unhoused population. As a participant in this meal distribution framework, the City has either secured or is in the process of securing capacity to provide 150,000 meals per day that can be made available to the general public without restriction. This total capacity will be achieved through three contracts, as follows:

1. Up to 20,000 meals per day with San Jose Unified School District,
2. Up to 30,000 meals per day through First Agreement with Revolution Foods, and
3. Up to 100,000 meals per day through Second Agreement with Revolution Foods.

In addition to this capacity for 150,000 meals available to the general public, City agreements with Team San Jose, World Central Kitchen, and the Health Trust will provide meals to targeted populations, such as individuals at high risk of severe illness.

Funding

To meet these targets, the Administration is proposing that the Council take action on seven (7) agreements with contractors to provide food to various populations. Details of these agreements are outlined in Attachment A. On May 3, 2020, FEMA confirmed that two types of activities contemplated by the proposed expenditures would not be eligible for FEMA reimbursement.

- First, the City would not be reimbursed for meals provided to residents who live in unincorporated pockets and other cities in the County of Santa Clara. FEMA staff have indicated that the County and other cities have the legal responsibility to seek reimbursement for services provided to their jurisdictions and that they cannot delegate this legal responsibility by any mechanism. The City is in discussions with the County

and will commence discussions with other County of Santa Clara cities regarding reimbursement for providing these services to their respective populations.

- Second, FEMA staff is not expanding the reimbursement eligibility categories issued following the national declaration of emergency notwithstanding the unique nature of the COVID-19 pandemic. Under these categories, eligibility for food assistance is limited to residents that have been diagnosed as being positive for COVID-19, residents that are at high-risk (such as those over 65 or those with another underlying health condition), or residents that are unable to leave home because of exposure to COVID-19. Consequently, the City will not be reimbursed by FEMA for providing meals to residents exclusively based on their status as low-income or economically impacted by the emergency.

Due to these FEMA limitations, the Administration recommends the following approach.

- First, the Administration will pursue reimbursement agreements with other jurisdictions to ensure that the City is compensated for food services provided to residents of unincorporated County pockets or other cities. While this work is still being analyzed, Staff estimates that approximately 20% to 35% of the meals provided by the agreements are for residents in County pockets and other cities. As discussed above, the Administration is in negotiations with the County on reimbursement of the City for food distribution in the County pockets and intends to agendize the terms of a reimbursement agreement between the County and City for the May 19, 2020 City Council meeting. Negotiations with other cities in the County are starting this week.
- Second, the Administration recommends using the Coronavirus Relief Funds to pay for services to residents experiencing food insecurity due to the impacts of COVID-19 who otherwise may not meet FEMA eligibility requirements to ensure that the General Fund is not affected. FEMA reimbursement is anticipated for World Central Kitchens and may be possible for a certain portion of the populations served by Team San Jose and Health Trust, and will be initially funded by the Emergency Reserve.

A breakdown of how funding for these contracts will initially be allocated between the Coronavirus Relief Fund and the Emergency Reserve is provided in the table below, with the Administration's assignment to a primary funding source. However, the Administration will endeavor to document all reimbursable activities to appropriately assign costs among the respective funding sources including reimbursement from the County and other cities within the County, and remain consistent with the framework for coronavirus emergency response activities. Accordingly, final allocations will deviate from the totals listed below.

Agreement	Coronavirus Relief Fund	Emergency Reserve**
Revolution Foods 1 st Contract*	\$1,900,000	\$0
Team San Jose	\$0	\$1,644,750
Revolution Foods 2 nd Contract*	\$22,000,000	\$0
World Central Kitchen	\$0	\$3,564,000
The Health Trust	\$0	\$696,452
First 5 Santa Clara County*	\$511,348	\$0
San José Unified School District*	\$2,400,000	\$0
Total	\$26,811,348	\$5,905,202

* Estimates include funding to support the provision of food outside of San José.

** Emergency Reserve is from the General Fund and will be utilized for FEMA reimbursable costs.

Agreements for Food Service and Necessities

This memorandum recommends that the Council ratify an agreement with Revolution Foods, as well as authorize the City Manager to negotiate and execute agreements with Team San Jose, World Central Kitchen, The Health Trust, First 5 Santa Clara County, San Jose Unified School District, and a second agreement with Revolution Foods to secure capacity to address the potential increase in demand for food. Approval of these actions will ensure vulnerable residents continue to have access to food and other necessities during the emergency. Detailed descriptions of these agreements can be found in Attachment A.

CONCLUSION

The Administration continues to work quickly and strategically in a rapidly evolving environment to address community needs in accordance with the Emergency Operations Roadmap. The recommended actions authorize the partnerships and allocate the resources necessary to continue emergency response efforts without interruption. Additional recommendations will be brought forward for City Council consideration as the development of necessary service agreements and projects progress and, as additional guidance is provided regarding the availability and allowable use of funding sources, will include a comprehensive budgetary plan for the City's response to the COVID-19 pandemic. Recommendations will continue to ensure the proper alignment and use of available funds, in accordance with strategic priority and the appropriate accounting of funds for documentation and audit purposes.

EVALUATION AND FOLLOW-UP

The Administration will return to City Council as appropriate to execute or ratify contracts necessary and to provide additional funding as necessary to support emergency operations.

All funds received, whether private, local, state, or federal, are managed under Generally Accepted Accounting Principles (GAAP) as well as in compliance with pertinent sections of the City Policy Manual and the Council Policy Manual. Federal funds, including federal grants, have an additional requirement to be managed under the required federal Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200. As an agency with over \$750,000 in federal grants spent annually, the City undergoes an annual single audit, which is conducted under both Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS, the Yellow Book), and covers the entire operations of the City. The single audit is presented, reviewed and accepted each year, as is the City Comprehensive Annual Financial Report (CAFR), by the City Council. The City will also be vigilant, as with any federal funds, to avoid the federal legal prohibition on duplication of benefits. Should the City use Coronavirus Relief Funds to support an expenditure that is subsequently submitted to and reimbursed by another funding source, be it federal or otherwise, the Coronavirus Relief Funds will be made whole by the amount of the monies reimbursed by that other source or sources of funds.

CLIMATE SMART SAN JOSE

The recommendations in this memo do not have any negative impact on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the May 12, 2020, Council agenda.

COORDINATION

This memorandum, related documents and resolutions were prepared in coordination with the Finance Department, Parks Recreation Neighborhood Service Department, Housing Department, Public Works Department, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

In response to the Stage 5 Pandemic Management Plan related to COVID-19, the Housing and Community Development Commission (Commission) meetings have been cancelled. The Housing Department will update the Commission on these actions when the Commission reconvenes.

COST SUMMARY/IMPLICATIONS

Additional operating and maintenance costs will be incurred to operate the Bridge Housing Community facilities beyond December 2020. The Administration will bring forward a subsequent recommendation for the extended operation of these facilities, in consideration of further guidance on the use of available funds and identification of alternative funding sources.

Program Areas	Coronavirus Relief Funds	Emergency Reserve	Total
Communications	\$126,570		\$126,570
Disinfection/Custodial		\$3,032,246	\$3,032,246
EOC/DOC Management	\$1,031,278		\$1,031,278
Food & Meals-Homeless		\$2,341,202	\$2,341,202
Food & Meals-Senior		\$3,564,000	\$3,564,000
Food & Meals-Vulnerable	\$26,625,000		\$26,625,000
Necessities	\$211,348		\$211,348
Personal Protective Equipment	\$1,984,183		\$1,984,183
Sheltering-Emergency	\$6,767,490		\$6,767,490
Supplies-Computer Technology	\$651,540		\$651,540
Grand Total	\$37,397,409	\$8,937,448	\$46,334,857

BUDGET REFERENCE

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

Fund #	Appn #	Appn. Name	Total Appn.	Rec. Budget Action	Amt. for Contract	2019-2020 Adopted Operating Budget	Last Budget Action (Date, Ord No.)
NEW	R110	Revenue from Federal Government	\$0	\$178,295,248	\$0	N/A	N/A
NEW	209U	COVID-19 Emergency Response	\$0	\$45,000,000	\$26,811,348	N/A	N/A
NEW	NEW	Reserve for COVID-19 Emergency Response	\$0	\$133,295,248	\$0	N/A	N/A
406	209U	COVID-19 Emergency Response	\$10,500,000	\$0	\$5,905,202	N/A	4/21/2020 Ord. No. 30398


CEQA

Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

/s/
LELAND WILCOX
Chief-of-Staff
City Manager's Office


JIM SHANNON
Budget Director

I hereby certify that there will be available for appropriation in the Coronavirus Relief Fund in the Fiscal Year 2019-2020 monies in excess of those heretofore appropriated therefrom, said excess being at least \$178,295,248.


JIM SHANNON
Budget Director

For questions, please contact Jim Shannon, Budget Director, at (408) 535-8142.

Attachment:

Attachment A: Summary of Agreements for Food Service and Provision of Other Necessities

Attachment A: Summary of Agreements for Food Service and Provision of Other Necessities

To help preserve FEMA reimbursement eligibility, staff plans to transition to competitive procurement in the coming weeks for all agreements. The procurement shall be conducted in accordance to FEMA's procurement standards as set forth in Title 2 of Code of Federal Regulations (CFR): 2 CFR §§ 200.317 – 200.326.

First Agreement with Revolution Foods

The City executed an agreement with Revolution Foods on April 13, 2020 for up to 30,000 grab-and-go breakfast and lunch meals per day to various school sites beginning March 30, 2020 through June 23, 2020. The maximum compensation is \$1,900,000 with two (2) 45-day options to extend the term.

Revolution Foods currently contracts with the Santa Clara County's Office of Education (SCCOE) and has fourteen (14) years of experience designing, producing, and delivering two (2) million federally reimbursable school and community meals per week to 2,500 sites nationwide, including early childhood education centers, school districts, charter schools, and community and after-school youth programs. The vendor is already set up to deliver meals for schools throughout the County and has capacity to continue that service for the general public due to current school closures.

The initial launch of this food distribution program covers eleven (11) school districts and is contingent upon the City's ability to negotiate and execute Premise Use Agreements with the designated districts. The agreement will supplement the current weekday meal distribution efforts at existing school districts by extending the distribution of meals, without any eligibility requirements and on a first-come, first-served basis primarily to adults aged 19+ experiencing food insecurity due to the impacts of the COVID-19 pandemic. The agreement may be utilized to serve the larger general population experiencing food insecurity during the weekends. City staff will work with the SCCOE to determine the number of sites to be covered by these meal distribution efforts and the number of meals to be served at each site. Staff at designated food distribution sites are trained to adhere to basic food hygiene standards will ensure that social distancing is practiced. The grab-and-go meals will be available for individuals to pick up, with drive-through or drive-up arrangements for individuals requiring special accommodation.

Second Agreement with Revolution Foods

On April 10, 2020, the City of San José entered into a non-binding Memorandum of Understanding with Revolution Foods to secure capacity for worst-case scenarios of extreme food insecurity. The proposed Second Agreement with Revolution Foods would secure capacity by an additional 100,000 meals per day, for a total of 130,000 meals per day. This additional capacity will allow for thirty (30) additional food distribution sites at schools, with the goal of feeding the same target population identified under the first agreement with Revolution Foods. The proposed term would be through June 11, 2020 with up to two options to extend the term through August 10, 2020, for a maximum compensation not to exceed \$22,000,000.

Agreement with San Jose Unified School District

The City is negotiating an agreement with San Jose Unified School District (SJUSD) to provide breakfast and lunch to its students and their families beginning on or about March 23, 2020 for 60 days, for a maximum compensation of \$2,400,000. SJUSD normally would only distribute meals to its students, but under this agreement, they will distribute meals to families, including individuals over 18 years of age. Due to school closures, SJUSD has indicated that would not be seeking reimbursement from USDA for the meals to students paid for under this agreement.

As the one of the largest school districts in the County, SJUSD serves approximately 30,000 students in 40 schools across the City. SJUSD will leverage its existing staff, kitchens, and food supplier to provide up to 20,000 nutritionally balanced meals per day to students and their families. Using thirty-three (33) of its school sites throughout the district, the locations are easy for families to access, and they will receive both breakfast and lunch five days per week. SJUSD schools will serve as the primary distribution hubs for these meals as well as additional meals provided through the Revolution Foods agreements.

Agreement with Team San Jose

Staff recommends entering into an agreement with Team San Jose for approximately 12 weeks with an effective date of March 31, 2020 through June 23, 2020, to distribute meals at temporary non-congregate shelters identified by the Office of Supportive Housing (OSH) for the at-risk and most vulnerable population across Santa Clara County, and other designated City sites. The total compensation for the agreement shall not exceed \$1,071,000 for the initial term, and \$573,750 for one 45-days option, for a maximum total compensation of \$1,644,750.

Team San Jose is the facility manager and operator of six city-owned venues and operator of a catering company providing food and beverage services to all managed venues. They are equipped to deliver prepared and packaged meals seven days a week to city-sponsored sites within 72-hours of being requested and has the capacity to extend that service at currently limited operations or identified City sites. This flexibility allows for the expedient mobilization of food throughout the City and County to people negatively impacted.

The initial launch of the emergency meal distribution would cover two locations, Parkside, and South Hall. City staff, in conjunction with OSH, will assess the meal distribution need to determine the number of sites and the number of meals to be served at each site daily.

The grab-and-go meals will be available for individuals to pick up. Designated meal distribution sites will be conducted by staff with existing connections to these vulnerable communities or through an onboarding process that ensures public safety and social distancing is practiced.

Agreement with World Central Kitchen

The proposed “Great Plates Program” agreement with World Central Kitchen (WCK), a nonprofit organization, will be through June 10, 2020, with one 30-day option, for a maximum compensation of \$3,564,000 to provide meals to individuals who are 65 or older, or 60-64 and at high-risk for severe illness from COVID-19 as defined by the Centers for Disease Control and

Prevention (CDC), and meeting other clear requirements. On May 4, 2020, the City submitted notice to California Governor's Office of Emergency Services (Cal OES) of the City's intent to participate in Great Plates Delivered program and contract with WCK to select local food providers eligible to participate in the program. Staff estimates that 1,800 people in Santa Clara County could be eligible for a total of 162,000 meals over the 30-day period.

Program costs are anticipated to be reimbursed through FEMA, with the program cost breakdown as follows: 75% FEMA share, 18.75% State share, and a required local share of 6.25%. Local agencies would be responsible for fronting costs, with the non-local shares recouped through a reimbursement process. The program runs through June 10, 2020, per FEMA's current approval. Based on need, the State may request an extension for the Great Plates Delivered program.

WCK will provide experienced staff to work with the City to create a county-wide logistics plan for food sourcing and distribution of meals prepared by local restaurants or food service companies. WCK will implement a restaurant application process to screen and identify eligible local food providers in accordance to the Great Plates Program requirements, including, but not limited to identifying local food providers that have the ability to meet volume, nutritional standards, source locally, cultural needs, and are not currently participating in a state or federal meal service program. WCK would determine the appropriate delivery process, which could include restaurant drivers, utilizing an e-delivery platform such as Door Dash or UberEats, or utilizing City staff as Disaster Service Workers to perform delivery duties.

WCK has proposed to subcontract with Sourcewise, a nonprofit organization that provides services and support to seniors in Santa Clara County. Sourcewise has the requisite experience to conduct program eligibility determination through an intake process and help ensure compliance with nutritional standards as established by the "Great Plates Delivered" program. The City will work with WCK to determine and pay a reasonable allocation across the restaurants, Sourcewise, delivery operators, and other administrative fees.

Agreement with The Health Trust

The proposed agreement with The Health Trust would be from March 17, 2020 through May 15, 2020, and one 30-day option, with a maximum compensation of \$696,452, to provide frozen packaged meals to 1) unhoused individuals who are temporarily sheltered, and 2) to individuals who are 65 or older, or 60-64 and at high-risk for severe illness from COVID-19 as defined by the CDC and meeting other eligibility criteria based on income and need.

The Health Trust has operated the Meals on Wheels program in Santa Clara County since 2018 to provide nutritious meals, as developed by a registered dietician, to participants in their homes. In order to meet the needs of the unhoused participants that have been referred by the Santa Clara County Office of Supportive Housing, the Health Trust will be able to leverage its relationships with meal providers and experienced staff to provide meals to participants that have limited kitchen facilities.

The City is currently negotiating an agreement with The Health Trust to ensure that there is no duplication of benefits from the Housing Department's [Community Development Block Grant agreement](#) with Loaves & Fishes, that includes The Health Trust as a subgrantee.

Purchase Order with First 5 Santa Clara County

The City plans to issue a purchase order in an amount not-to-exceed \$511,348 directly to FIRST 5 for the procurement and distribution of diaper kits and baby formula to fulfill community needs through May 2020. All products will be distributed to eligible population by FIRST 5 at its Family Resource Centers. Clients who receive these products must be County of Santa Clara residents, and must register with FIRST 5 prior to pick up.

FIRST 5 Santa Clara County (“FIRST 5”) was formed in 1998, to promote, support and improve early childhood development, for children prenatal through five years of age and their families. The twenty-seven Family Resource Centers are in neighborhoods throughout the County where families and children live in conditions where people of all ages are at higher risk of poor health, educational and economic outcomes. Family Resource Center clients are primarily people of color who are disproportionately affected by COVID-19 and were living on the economic margins before COVID-19 and are now dependent on outside support. Clients include families who are mixed citizenship status which limits their opportunities for government financial benefits.