

City of Sacramento

Legislation Text

File #: 2020-01073, Version: 1

Title:

City Council COVID-19 Response: CARES Act Framework and Funding Priorities; Great Plates Delivered Contracts (Two-Thirds Vote Required)

File ID: 2020-01073

Location: Citywide

Recommendation:

1) Review, discuss, and take action regarding the Coronavirus Aid, Relief and Economic Security (CARES) Act Great Plates Delivered Program; and 2) pass a Motion: a) suspending competitive bidding in the best interests of the City pursuant to City Code section 3.56.230(c); b) authorizing the City Manager or City Manager's designee to use a request for proposals (RFP) process to select contractors to provide services as part of the Great Plates Delivered Program; c) execute a nonprofessional services agreement with Paratransit, Inc. to provide meal kit delivery services in an amount not to exceed \$236,000; d) authorizing the City Manager or City Manager's designee to execute nonprofessional services agreements with Burgess Brothers Restaurant LLC, Humble Provisions, LLC dba Cannon, and Starry Band Inc. dba Mulvaney Building & Loan to provide meal kits and advisor chef services in an amount not to exceed \$87,600 per agreement; e) authorizing the City Manager or City Manager's designee to execute a nonprofessional services agreement in the form attached as attachment 5 with each contractor listed in attachment 7, as long as the agreement is approved as to form by the City Attorney or the City Attorney's designee and does not exceed \$87,000; and f) authorizing the City Manager or City Manager's designee to execute a nonprofessional services agreement in the form attached as attachment 6 with each contractor listed in attachment 8, as long as the agreement is approved as to form by the City Attorney or the City Attorney's designee and does not exceed \$84,100.

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Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Coronavirus Relief Fund Programs
- 3-Delivery Partner Contract
- 4-Advisory Chef Contracts

- 5-Nonprofessional Services Agreement-Group A
- 6-Nonprofessional Services Agreement-Group B
- 7-List of Businesses in Group A
- 8-List of Business in Group B

Description/Analysis

Issue Detail: On March 13, 2020, the City declared a local emergency in response to the spread of the COVID-19 pandemic. Several actions were taken by the City to provide immediate economic relief to city businesses and residents, including the funding of small business loans of \$1.1 million to city businesses, procurement of emergency supplies for the homeless (estimated at \$250,000), emergency meal programs, and lodging for essential City staff. On April 21, 2020, the City received \$89.6 million from the Coronavirus Relief Fund (CRF), which was created as by the CARES Act.

Framework and Funding Priorities: On May 12, 2020, Council participated in a workshop to discuss a CRF framework and funding priorities and on May 26, 2020 adopted a general framework proposed by the Mayor for funding priorities. During the workshop, Council expressed overall interest in funding programs and projects that provide small business assistance, get people back to work, offer opportunities for youth enrichment, address homelessness and housing issues, and support families impacted by this pandemic. The deadline for expending CRF funds is December 30, 2020. Given this short time frame, Council requested staff identify projects and programs for immediate CRF funding and implementation.

A working group of departments has been working with the City Attorney and Auditor's offices to prepare CARES Act funding recommendations and review funding suggestions for eligibility and alignment with identified Council priority areas:

- **Small Business Assistance:** Financial, technical, and entrepreneurship assistance to small businesses, non-profits, and community-based organizations (CBOs).
- **Workforce Training:** Fund programs and partner with workforce development providers, CBOs, and educational partners at all levels to retrain and uptrain workers dislocated due to the pandemic.
- **Youth Enrichment:** Implement robust programs, curriculum, and service for youth, including providing the necessary transportation and technology to support these programs.
- **Family Services:** Funding to support additional services for Sacramento families, including the expansion and availability of childcare services, food access, and

programs that address domestic violence exacerbated by the stay-at-home orders.

- **Homeless Services & Rapid Re-Housing:** Services to place unhoused individuals into permanent housing and implement homeless aversion programs.
- **Arts, The Creative Economy & Tourism:** Financial and technical assistance directly to support the arts, tourism, and creative economy that have been devastated by the current pandemic.

Additionally, Council expressed a commitment to equity and inclusion. Each program and project will be screened through an equity lens to ensure CARES spending benefits our entire community, particularly those communities most impacted.

Great Plates Delivered Program:

On April 24, 2020, Governor Newsom announced Great Plates Delivered program. The program is both an emergency feeding program and economic stimulus in that it: 1) provides meals to adults 65 and older and adults 60-64 who are at high-risk, as defined by the Centers for Disease Control, and who are unable to access meals while staying at home and are ineligible for other nutrition programs; and 2) supports local restaurants who have closed or are struggling to remain open due to COVID-19 mitigation tactics and other food provider/agricultural workers.

On May 14, 2020, the City launched the program with 30 Sacramento restaurants providing 750 Sacramento seniors with breakfast, lunch, and dinner meal kits. The program is currently serving just over 1,000 seniors and working with 40 local restaurants to deliver three meals per day, five days per week. Paratransit and Lyft have been our transportation partners that are responsible for collecting meal kits from participating restaurants and delivering them to seniors' homes. The Federal Emergency Management Agency (FEMA) recently granted a program extension through October 9, 2020 and the existing service providers will continue through September 30, 2020. The new service providers listed below are expected to start on October 1, 2020 and go through December 30, 2020, contingent upon FEMA approval.

The restaurants that have participated since the program's inception were selected through an informal solicitation given the need to expeditiously launch the emergency feeding program. The program has extended longer than anticipated so staff conducted a formal solicitation to plan for a program through December 30, 2020. On August 25, 2020 the City released a Request for Proposals (RFP) for vendors interested in meal preparation, delivery, administrative support, and advisor chefs. The City received 59 responses to the RFP and has selected those providers that demonstrate the most experience with similar programs and the ability to provide a variety of meals that meet the nutritional requirements of the program. Below is a list of the recommended contractors:

<i>Meal Kit Providers</i>	
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A Taste Above	Andy Nguyen Vegetarian
Bella Bru Café	Binchoyaki
Burgess Brothers*	Caballo Blanco
Camden Spit and Larder	Canon*
Colo's Soul Food	Crest Café
de Vere's Irish Pub	Device Brewing
Dos Coyotes	Edible Events
Fox and Goose Public House	Haveli Grill
Hawk's Provisions	Jimmy's Soul Food and Hmong Cuisine
Kimberly's Kitchen	Koshi Ramen
La Venadita	Limelight Bar and Cafe
Lunch Box Express	Mayahuel
Mezcal Grill	MoMo's Meat Market
Mr. Perry's	Mulvaney's Building and Loan*
Plates Café	Purple Pig Eats
Queen Sheba	Rio City Café
Rossi Catering	Sacramento Catering Collective
Selland's	Solomon's Delicatessen
Statehouse	Tablevine
Takumi Izakaya	Viet Ha
Woodlake Tavern	Yarbrough's Catering
<i>Delivery Organization</i>	
Paratransit, Inc.	
*denotes advisor chef	

Policy Considerations: The City has been impacted by the global pandemic. Establishing programs and budgets that include federal CARES Act funding is consistent with City Council action relative to state and federal grant awards. Using the RFP process for the procurement of nonprofessional services requires a suspension of the standard competitive low bid process. City Code Section 3.56.230(c) authorizes the City Council to suspend competitive bidding for the purchase of nonprofessional services when, upon a two-thirds vote, the City Council determines it is in the best interests of the City to do so because the procurement of nonprofessional services should be based on factors other than, or in addition to, price.

Economic Impacts: CARES Act funds and other eligible federal and state grants will assist the City in providing economic relief to residents and business that have been impacted by COVID-19. Additionally, CARES Act spending will support and advance inclusive economic growth, improve the health of neighborhoods and support people, places, and actions that promote overall economic recovery and impacts immediately and well beyond this pandemic.

As of September 10, 2020, the program has provided 274,857 meals and invested over \$6.4 million into Sacramento's local economy. While participating in the program, local food providers report employing 247.44 FTE employees and owners provide countless testimonials on how important this program has been to their continued operations. The City's commitment to inclusive economic development and investing in its disadvantaged communities is evidenced by the fact that the first phase of the program had 73% of restaurants located in the Promise Zone and 55% in low- to moderate-income census tracts. Of the restaurants included in this report, 76% are located in the Promise Zone and 61% are in low moderate-income census tracts. If the program were to continue through December 30, 2020, the investment into Sacramento's local economy will be over \$10 million - at a cost to the City of no more than \$700,000. This investment does not include the multiplier benefits to the line cooks, working children of seniors, food suppliers, farmers, delivery drivers, families, and more that are indirectly or directly connected by the ongoing operations and success of this program.

Environmental Considerations:

California Environmental Quality Act (CEQA); National Environmental Policy Act (NEPA): The proposed action is not a project under CEQA because it relates to government fiscal activities that do not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment. (Cal. Code Regs., tit. 14, §§15060 (c)(3), 15378(b)(4)). The proposed action involves activities that are exempt from NEPA under title 24, section 58.34, of the Code of Federal Regulations.

Sustainability: None

Commission/Committee Action: None

Rationale for Recommendation: Accepting the federal CARES Act funding and establishing COVID programs and budgets will allow the City to provide economic relief to its residents and businesses that have been impacted by COVID-19. Although these are nonprofessional service agreements, contractors were not selected based on lowest bidder and therefore, competitive bidding must be waived. The program has a set maximum of \$66 per meal kit for all components of the program and the City set the price of the services based on the allotted budget, as a result, it was in the best interest of the City to select contractors using a RFP process rather than competitive bidding.

Service providers were selected through the RFP process based on selection criteria that included their experience and ability to execute the program. The 42 food providers selected demonstrate the ability to provide a variety of menus, source from local farmers, and meet all nutritional guidelines. Paratransit is recommended as the delivery organization based on its experience delivering as part of the Program since May, its innovative solutions to logistics routing and expansive network of drivers and fleet vehicles. The program also relies on advisor chefs to assist the restaurants with meal planning and logistics. Jonathan Burgess of Burgess Brothers, Brad Cecchi of Canon, and Patrick Mulvaney of Mulvaney's Building and Loan are recommended because of their experience with the program's standard operating procedures and their ability to communicate with all food providers in a proactive and timely manner. Staff recommends executing the contracts with this team of service providers in order to yield a successful Great Plates Delivered program and continue delivering meals to seniors in need through December 30, 2020.

Financial Considerations: On April 21, 2020, the City received \$89.6 million from the Coronavirus Relief Funds (CRF) to address impacts related to the COVID-19 pandemic. On May 26, 2020, the City Council appropriated \$250,000 of CRF (G02610100) for the City's match to this program for the federal and state funding of \$3,750,000 for a total funding of \$4 million. On September 1, 2020, the City Council appropriated an additional \$450,000 for the City's match to the increased federal and state funding of \$6,750,000. Total CRF funding for the City's match is now \$700,000 and total federal and state funding is \$10,500,000 for a total funding of \$11,200,000. There are 43 contracts for a total not-to-exceed amount of \$3,842,600. Details on the CRF programs and projects are included as Attachment 2.

Local Business Enterprise (LBE): Although LBE is not applicable, all 43 contractors selected are located within Sacramento city limits.