

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS and ECONOMIC DEVELOPMENT
COMMITTEE
ACTION ITEM**

SUBJECT: AWARD AUTHORITY INCREASE/Food and Supplies

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: February 11, 2016

STAFF CONTACTS: Steve Torpy, Parks, Recreation and Community Services
Karen Sheets, Parks, Recreation and Community Services
Diane C. Smith, Finance and Procurement

PURPOSE: To increase the award authority of the Food and Supplies contract.

RECOMMENDATIONS: Staff recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to increase the award authority for the Food and Supplies contract with Merchants Grocery Company, Inc. by \$107,000 for a new estimated amount of \$607,000.

BACKGROUND: On August 18, 2015, the County exercised a one-year contract renewal for Food and Supplies to Merchants Grocery Company, Inc. in the estimated amount of \$450,000 as a result of Loudoun County Public Schools (LCPS) contract number I14054. There are two additional one year renewal periods remaining on the LCPS contract.

The primary purpose of these contracts is to provide Parks, Recreation, and Community Services (PRCS) with food for the Area Agency on Aging (AAA) and the County After School Activities (CASA) Programs. However, the contract is available to support any County agency that has programs that require food. Items typically purchased under this contract include dry staples as well as chilled and frozen meats, dairy, fruits and vegetables, as well as paper products.

ISSUES: Historically, the Food and Supplies contract has been used to support AAA's Home Delivered Meals and Congregate Meals Program that the Central Kitchen prepares. In addition the Central Kitchen prepares meals for the three (3) Adult Day Centers and all meals for the Juvenile Detention Center (JDC), seven (7) days per week. The Central Kitchen also caters special events for county-wide government functions, and as needed, provides meals to the Loudoun County

Emergency Operations Center. The kitchen currently prepares an average of 680 meals per day; 625 of those meals are for the AAA Congregate Meal and Adult Day Center programs (325 daily meals) and the AAA Home Delivered Meal program (300 daily meals). Under a Memorandum of Understanding (MOU) with Department of Family Services, the kitchen provides three (3) meals per day and snacks to the juvenile detention residents for a total currently of fifty-five (55) daily meals. In FY 2014, the kitchen catered twenty (20) County events for which it prepared approximately 2,000 meals. The quality of food and cost per meal are very reasonable and offer a vitally needed service to seniors and juvenile detention residents. Frail homebound seniors are provided with one (1) hot nutritious meal five (5) days per week, and often the only daily human contact which provides an opportunity for a person to check on them. Seniors in the congregate meal program are provided with a nutritious meal and valuable socialization opportunities. The JDC meal program provides reliable, consistent and good quality food to detained youth seven (7) days per week. Staff is anticipating that the programs will provide at least 10% more meals in FY16 than in FY 14 based upon the continuous growth in seniors and youth participating in the County programs mentioned above. In addition, the cost of food has steadily increased since the inception of the contract in August 2013. The increase in participation as well as food costs are resulting in the need to increase the award authority of this contract.

This increase requires approval of the FGOEDC and the Board as the original contract was under staff authority in the amount of \$450,000. Due to increased needs, staff increased the contract under staff authority to \$500,000. However, the current contract period ends on August 15, 2016 and staff anticipates the need to spend an additional \$107,000 in order to provide food and related items through the remainder of the contract period. Per the Procurement Resolution, if a contract was awarded under staff authority and needs to be increased above \$500,000, approval is required by the FGOEDC and the Board.

FISCAL IMPACT: The County estimates spending an additional \$107,000 on food and supplies. Funding for this contract would come from the AAA's Central Kitchen budget and two grant budgets, the Title 3C/Congregate Meals and Title 3C/Home Delivered Meals. No additional appropriations are being requested for this contract award. The estimated award authority is based upon the anticipated requirements during the remainder of the contract period.

ALTERNATIVES:

1. Recommend to the Board of Supervisors that the Purchasing Agent be authorized to increase the award authority for the Food and Supplies contract with Merchants Grocery Company, Incorporated, by \$107,000 for a new estimated amount of \$607,000.

OR

2. Do not recommend award authority increase and direct staff on how to proceed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to increase the award authority for the Food and Supplies contract with Merchants Grocery Company, Incorporated, by \$107,000 for a new estimated amount of \$607,000.

OR

2. I move an alternate motion.