

FY 20 APPLICATION SUMMARY

PROGRAM TITLE: Food Service for Senior Meals

PROVIDER: Bateman Community Meals, under contract to NorthWest Senior & Disability Services, as the lead agency of the Food Services Procurement Consortium

DESCRIPTION:

LCOG is a partner in an interagency consortium with NorthWest Senior & Disability Services (NWSDS) and Oregon Cascades West Council of Governments (OCWCOG) to procure food service for the meal sites and home delivered meal programs in a seven county area: Lane, Linn, Benton, Lincoln, Marion, Polk and Yamhill. NWSDS is the lead agency in the food service procurement consortium. The three agencies developed a common set of service specifications based on program needs and Community Services and Supports Unit (Formerly the State Unit on Aging) Program Standards for Older Americans Act Congregate and Home Delivered Meals.

Background Information

As lead agency, NWSDS coordinated the Request for Proposal (RFP) Legal Notice and Letter of Intent to Apply process. The RFP process was competitive with four companies submitting Letters of Intent to Apply by the September 28, 2018 deadline. Meals on Wheels People, Trinity Food Services, GA Foods and Bateman Community Living all received the RFP specifications released by NWSDS on October 12, 2018.

Three of the companies, Trinity Food Services, GA Foods and Bateman Community Living attended the Proposers Conference in Salem on November 8, 2018. All toured the production kitchens located in Salem, Eugene and Newport. By attending the Proposers conference all were eligible to submit proposals by the January 10, 2019 deadline.

During this process several representatives complimented the Consortium about the clear and comprehensive specifications which helped them understand the scope of work.

The Food Production and Delivery RFP deadline for Proposals to be submitted was 4:00 PM on January 10, 2019. Bateman Community Living submitted the only proposal. Trinity Food Services and GA Foods notified NWSDS that they had considered the specifications and determined that this was not within their capacity. The process then continued as a Sole Source Provider Negotiation with Bateman Community Living.

Selection Committee

Each agency of the Consortium had identified four committee members, a total of twelve members for the Interagency Food Service Selection Committee. The committee would have reviewed the proposals and voted to recommend the successful contractor. Nutrition staff would not have a vote in this process but would be available for technical assistance. Due to the Sole Source Negotiation, the Interagency Food Service Selection Committee was not needed to

review proposals and recommend a contractor. The consortium Nutrition Staff began the review process of the Proposal.

Review of the Proposal

Upon initial review of the proposal from Bateman, the consortium identified discussion items and scheduled a meeting with Bateman leadership to review areas of their proposal. Bateman provided the documents the Consortium requested in a Follow-Up Request document. The materials provided did meet the specifications.

Bateman provided further clarification regarding the facility investment or cost sharing partnership funds and to be used for capital improvements in our facilities (kitchens) and equipment (food service delivery truck/s). The Nutrition Managers prepared a fund distribution proposal outlining possible options for the AAA Directors to review and discuss.

The NWSDS Consortium Nutrition Managers have thoroughly reviewed the proposal from Bateman Community Living, as well as the S&DS Division Director and the LCOG Executive Director. The consortium has determined the Proposal has met the requirements of the Request for Proposal and supports NWSDS entering into a contract with Bateman Community Living beginning July 1, 2019.

METHOD OF SERVICE PROVISION:

The Food Service Provider (Bateman) operates the Consortium kitchens located in Salem, Newport and Eugene. LCOG leases and equips the Eugene kitchen and sub-leases it to the Food Service Provider. The Eugene kitchen produces meals for all 11 Lane County sites operated by S&DS' Senior Meals Program plus the meals for Eugene Meals on Wheels operated by FOOD for Lane County. The Food Service Provider plans the menu; hires, trains and supervises all kitchen staff; purchases raw food; prepares it according to specifications based on standardized recipes; delivers it in our trucks to the meal sites where it is served or packaged for home delivery by our staff and volunteers; and maintains our kitchen equipment and trucks.

This agreement updates the Volume Based Variable Rate scale adopted for FY 18 and FY 19. Payments are based on a volume based unit rate scale for Hot Meals and a volume based unit rate scale for Frozen Meals. The per unit meal rate scale is calculated on the following anticipated service levels. **Hot meals 430,000** and **Frozen Meals 138,000.**

The per unit meal rate is adjusted and a reconciliation is made at the end of the year to reflect the total year end volume of meals purchased. The actual volume of meals purchased is reviewed monthly by the Consortium and the Provider and is discussed quarterly to forecast any year-end price adjustments. The year-end adjustment is calculated and agreed to by both the Consortium and the Provider.

Volume Based Hot Meal Rate Chart – The Proposer has submitted the following updated chart breaking out per meal rates for the following volume price increments; in 5,000 hot meal increments, starting with 385,000, ending with 500,000 or more hot meals for July 1, 2019 – June 30, 2020.

Volume Based Frozen Meal Rate Chart – The Proposer submitted the following updated chart breaking out per frozen meal rates for the following volume price increments; in 2,500 frozen meal increments, starting with 100,000, ending with 152,499 frozen meals for July 1, 2019 – June 30, 2020.

NWSDS SCALE FY2020

HOT MEALS

From	To	
500,000	Over	\$4.50
495,000	499999	\$4.53
490,000	494999	\$4.56
485,000	489999	\$4.59
480,000	484999	\$4.62
475,000	479999	\$4.65
470,000	474999	\$4.68
465,000	469999	\$4.71
460,000	464999	\$4.74
455,000	459999	\$4.77
450,000	454999	\$4.80
445,000	449999	\$4.83
440,000	444999	\$4.87
435,000	439999	\$4.92
430,000	434999	\$4.95
425,000	429999	\$4.99
420,000	424999	\$5.03
415,000	419999	\$5.07
410,000	414,999	\$5.11
405,000	409,999	\$5.15
400,000	404,999	\$5.19
395,000	399,999	\$5.23
390,000	394,999	\$5.27
385,000	389,999	\$5.31

NWSDS SCALE FY2020

FROZEN MEALS

From	To	
150,000	152,499	\$4.38
147,500	149,999	\$4.39
145,000	147,499	\$4.40
142,500	144,999	\$4.41
140,000	142,499	\$4.42
137,500	139,999	\$4.43
135,000	137,499	\$4.47
132,500	134,999	\$4.51
130,000	132,499	\$4.55
127,500	129,999	\$4.61
125,000	127,499	\$4.68
122,500	124,999	\$4.74
120,000	122,499	\$4.81
117,500	119,999	\$4.87
115,000	117,499	\$4.94
112,500	114,999	\$5.01
110,000	112,499	\$5.08
107,500	109,999	\$5.16
105,000	107,499	\$5.25
102,500	104,999	\$5.33
100,000	102,499	\$5.42

STAFF COMMENTS:

1. This contract uses a volume based rate scale. The proposed base unit cost for fresh meals is \$4.95 for hot meals (an increase of .06 cents per hot meal) and \$4.43 for frozen meals (an increase of .01 cent per frozen meal). Prior to this, there had not been a rate increase for 2 years. In FY 18 and FY 19 the base unit cost for fresh meals was \$4.89 for hot meals and \$4.42 for frozen meals.
2. The actual purchase volume of meals and year-end purchase projections are reviewed monthly and are discussed quarterly to forecast any year-end price adjustments. This payment method is in use in several Oregon senior meal programs. It eliminates the need for mid-year contract amendments and minimizes risk and loss for both the Consortium and the Food Service provider.
3. Bateman continues to manage food cost increases by engaging in national food contracts with producers and suppliers which are continually reviewed and updated. They are able to pool the volume of their various contracts which allows them to negotiate large volume contracts to give all their customers a lower price. Because of this purchasing power, they can reach different regional markets for competitive prices. Bateman consistently tracks the food inflation across the various menu items we use and incorporates that data in the menu planning.
4. This is a food service production and delivery contract which includes delivering the food from the Central Kitchens to the service locations. This budget is based on gas prices no higher than \$3.25 per gallon in Salem and Eugene and \$3.50 per gallon in Newport. Variations in the actual cost of gas will be handled as a credit or charge on the monthly billing. Bateman will credit the agencies if the cost of gas is lower. The Consortium partners will pay the difference between the budgeted price and the actual price if the monthly average cost of gas is higher than these figures.
5. Bateman does not charge a profit in this contract. They discounted \$.10 on the hot meal rate and \$.09 of the frozen meal rate because we pre-pay 80% of the average monthly bill.

RECOMMENDATION:

- 1) SSAC recommends LCOG's Executive Committee to have LCOG contract with NorthWest Senior & Disability Services, as the lead agency in the Food Service Consortium, and;
- 2) NorthWest Senior & Disability Services contracts with Bateman Community Living for the provision of food service for FY 2020 using the volume based rate scales as noted above.