

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
DEPARTMENT OF COMMUNITY INITIATIVES**

**TO:** Mayor and City Council

**FROM:** Dennis J. Campa, Director, Department of Community Initiatives

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Frances A. Gonzalez, Assistant to the City Manager; Finance Department; City Attorney's Office; Office of Management and Budget; Asset Management Department; Purchasing Department; File

**SUBJECT: ORDINANCE AUTHORIZING EXECUTION OF A CONTRACT  
AMENDMENT WITH TRUE FLAVORS CULINARY PLANNERS FOR  
PROVISION OF MEAL PREPARATION SERVICES**

**DATE:** February 6, 2003

**SUMMARY AND RECOMMENDATION**

This ordinance authorizes the execution of a contract amendment with True Flavors Culinary Planners for the provision of meal preparation services in support of the Department of Community Initiatives Comprehensive Nutrition Project.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

The Comprehensive Nutrition Project (CNP) was established in 1973 as an integral part of the Elderly and Disabled Services Division's continuum of services. CNP provides the elderly in San Antonio with nutritionally balanced noontime meals in either a congregate setting or through homebound delivery service. Currently, 55 congregate sites across the community serve as a community forum for seniors to gather and interact.

The CNP provides seniors, 60 years and older who reside in San Antonio and Bexar County, with much more than just a meal. The program provides a congregate setting to prevent isolation among seniors, encourage community involvement, improve health through better nutrition and medical screenings, and maintain independence and self-sufficiency. CNP's goal is to nourish the whole person by providing transportation, information and referral, and other supportive services and engaging them in socialization and recreation activities of their choice. CNP also provides meals to homebound seniors who have limited mobility that impairs their capacity to cook for themselves or travel to a nutrition site daily. Homebound seniors are also provided with nutrition education and a link to other social and rehabilitative services to prevent early institutionalization.

As a result of a comprehensive review of the CNP provided by UTSA in 2001, the Department recommended, and City Council approved, the outsourcing of meal preparation services for the CNP. The City Council passed and approved the execution of a contract with True Flavors Culinary Planners for provision of meal preparation services under Ordinance No. 95807, dated May 23, 2002. The contract with True Flavors called for a \$2 million performance bond to protect the City in the event of contractor default. Two significant challenges arose which have made this contract requirement unfeasible for True Flavors.

First, since September 11, 2001 the surety market took major losses and a number of surety companies filed for bankruptcy. As a result, the surety market has been extremely reluctant to issue large performance bonds for small businesses. Second, performance bonds are predominantly utilized with construction projects and not unique service contracts. Therefore, performance bonds are more difficult to obtain by businesses that do not have significant financial resources. Discussions with a local surety company indicated that a bond for a lesser amount and a shorter duration than required in the contract could probably be obtained. Although an informal survey of major Texas cities revealed that those cities were not requiring performance bonds for contract senior meal providers, staff felt it important to include such a provision due to the nature of this contract.

To date, True Flavors has provided a good faith effort by working cooperatively with the Department to improve food quality issues. The food quality issues are related to both the contracted performance measures and those preferences outside of the contractual requirements expressed by senior participants. Overall, True Flavors has demonstrated a willingness and desire to improve quality performance measures while providing approximately 3,700 daily meals. However, True Flavors has indicated that they do not possess the kitchen capacity to produce more than 3,750 meals daily, which hinders the Department's ability to expand the senior nutrition program.

The amendment authorized by this ordinance will amend the contract with True Flavors in two primary areas (see Attachment I to ordinance). First, the contract will be amended to waive the performance bond requirement. Second, and in consideration for the amended bond requirement, the amendment will modify the contract period from 26 months to 14 months. This modification will allow the Department to continue working with True Flavors to make improvements in food quality through September 30, 2003, while at the same time allow DCI to procure a contractor(s) who has the capacity to provide 4,000 daily at a high level of quality and the ability to support the Department's expansion plans for the senior nutrition program.

Since the contract with True Flavors was awarded, DCI has addressed quality deficiencies when identified and has taken steps to ensure food quality through numerous meetings with the contractor, Senior Nutrition Center Managers and/or CNP senior participants.

As a quality control measure, the Department seeks ongoing participant feedback through monthly Food Quality Surveys. To date, the Department has collected over 1,300 surveys from participating senior nutrition centers. The survey asks participants to rate how well food is cooked, temperature, seasoning, taste, and overall quality. The information obtained through surveys indicates that participants believe food quality is gradually improving. In October, 61% of respondents rated food quality as "Good" or "Very Good", compared to December when 72% of survey respondents rated food quality as "Good" or "Very Good". The Department will continue to monitor and hold the contractor accountable for distributing daily meals meeting 1/3 RDA for seniors to 13 delivery sites in a timely manner at safe temperatures.

### *New Bid Process*

The City plans to issue a **Best Value Bid** in February 2003, seeking bids for the provision of meal preparation services. Respondents will be able to bid for the entire CNP, or an individual zone of the overall program. This bid option should provide the greatest opportunities to improve quality, contain costs and expand the program, while increasing the opportunity for small business to participate.

A Best Value Bid is an evaluated bid that allows for the inclusion of criteria such as past performance of the vendor, quality, and experience rather than just selecting the lowest price. As previously indicated, small businesses will be encouraged to participate by dividing the City into three zones (see attached maps). Zone A includes 18 sites in the northwestern part of the City encompassing mostly Council Districts 1, 6, 7, 8 and 9 serving approximately 1,500 daily meals, Zone B includes 14 CNP sites in the southern part of the City encompassing mostly Council Districts 2, 3 and 4 serving approximately 1500 daily meals, and Zone C includes 13 CNP sites in the northeastern part of the City encompassing mostly Council Districts 1, 2, 5 and 10 serving approximately 1,000 daily meals. As a part of the Best Value Bid, a group of seniors, community representatives, and members of the Joint City/County Commission on Elderly Affairs will rate food quality of the top bidders based on a taste test.

### **POLICY ANALYSIS**

This ordinance reflects a continuation of existing City policy to improve the quality of life of senior citizens of San Antonio and Bexar County and assist them in maintaining independent living through the provision of a comprehensive continuum of services. This ordinance will allow the CNP to continue providing nutrition services to the elderly at 55 nutrition sites throughout San Antonio, as well as creating opportunities for future expansion of the project.

### **FISCAL IMPACT**

The estimated cost of the amended contract is \$2,230,500.00 over the 14-month period. Funding for this contract comes from the current Comprehensive Nutrition Project (CNP) budget, and does not require adjusting as a result of this amendment. Historically, AACOG has provided initial Title III funding through "provisional" grant awards each year, and subsequently supplements these provisional grant allocations during the funding year as additional Federal funds become available. In FY 2002-2003, AACOG's provisional grant amount is \$1,129,901, and additional funding is anticipated. In FY 2002-2003, the COSA General Fund has matched the grant at a ratio of approximately two to one to provide 58% of the project's total budget.

#### **Funding History – Actual**

	<b>FY 00-01</b>	<b>FY 01-02</b>	<b>Projected FY 02-03</b>
TX Dept. on Aging through AACOG	\$1,344,466	\$1,502,657	\$1,129,901
City General Fund	1,887,519	\$2,642,580	\$2,642,580
USDA Cash	508,547	\$ 548,084	\$ 548,084
Program Income*	211,312	\$ 235,425	\$ 220,000
	<hr/> \$3,951,844	<hr/> \$4,928,746	<hr/> \$4,540,565

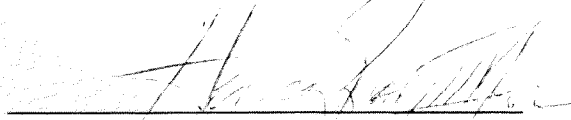
\*Income from participant's donations is subject to fluctuation.

## COORDINATION

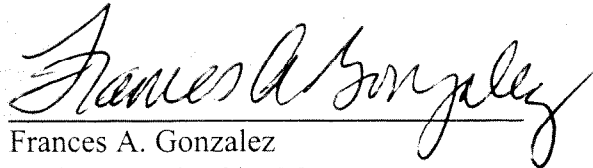
The Department of Community Initiatives has coordinated activities with the City Attorney's Office, Risk Management, Office of Management and Budget, Asset Management Department, Purchasing Department and Finance Department. The Department also presented this contract modification to the Economic and Human Development Committee on January 23, 2003. The Committee provided a favorable review of the contract modification and directed staff to move forward with amending the True Flavor's Contract and issuing the Best Value Bid.

## SUPPLEMENTARY COMMENTS

Provisions of the Ethics Ordinance do not apply.

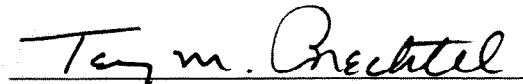


Dennis J. Campa  
Director



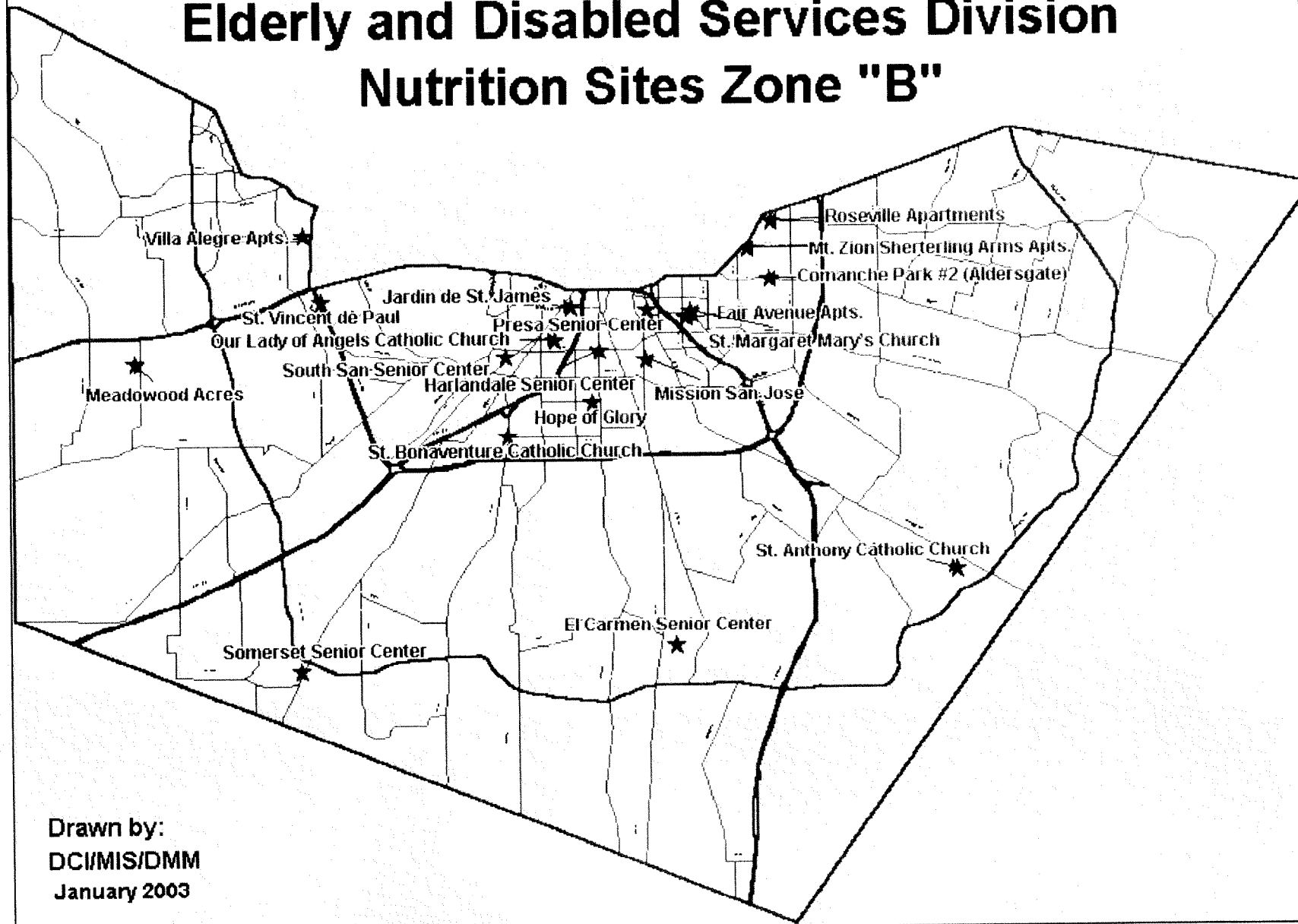
Frances A. Gonzalez  
Assistant to the City Manager

Approved:



Terry M. Brechtel  
City Manager

# Department of Community Initiatives Elderly and Disabled Services Division Nutrition Sites Zone "B"

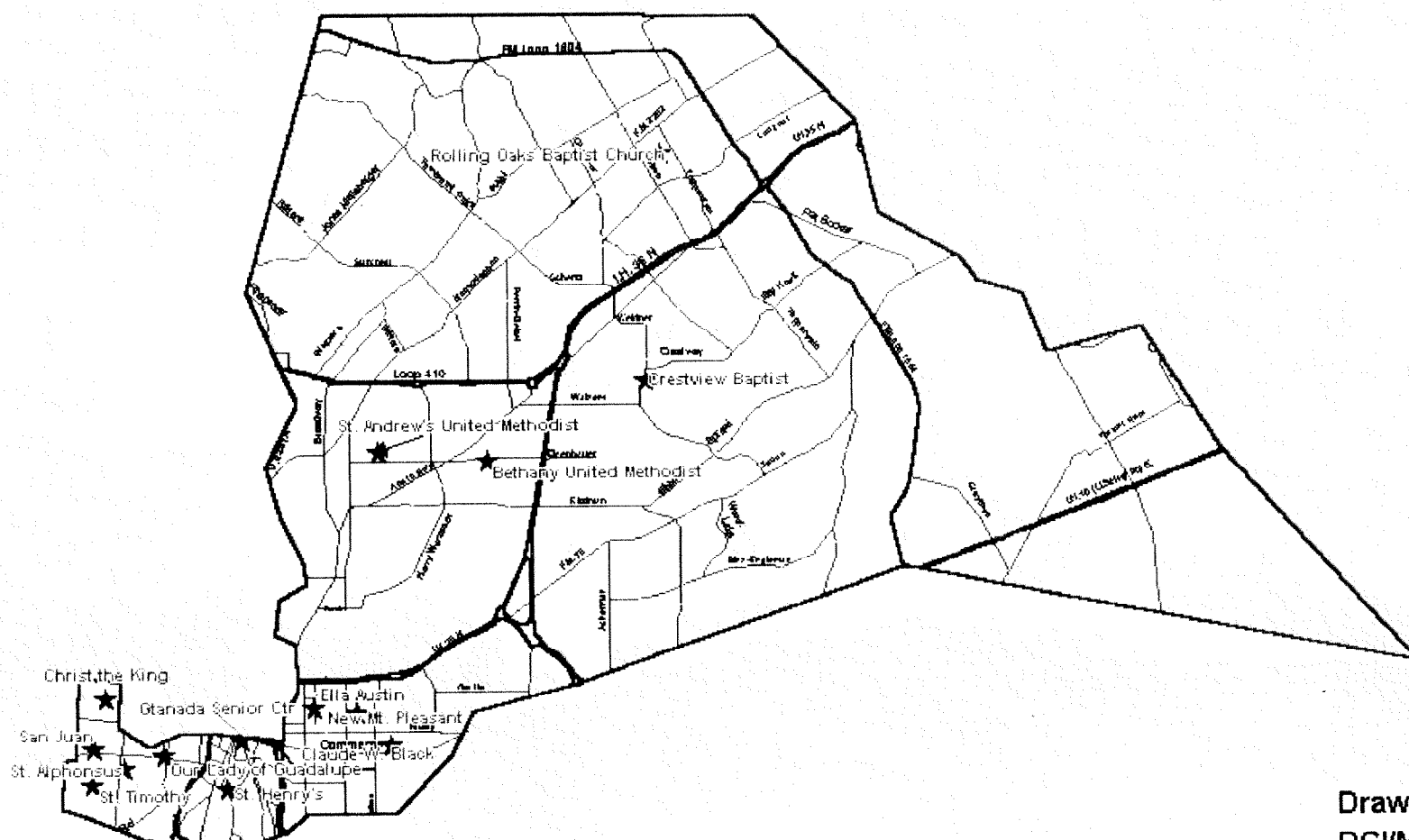


Drawn by:  
DCI/MIS/DMM  
January 2003

# Department of Community Initiatives

## Elderly & Disabled Services Division

### Nutrition Sites Zone "C"



Drawn by:  
DCI/MIS/DMM  
January 2003