



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** November 15, 2022

**TO:** Adam Politzer, Interim City Manager

**FROM:** Rebecca Sermenio, Interim Community Services Director

**SUBJECT:** **Resolution Of The City Council Of The City Of Emeryville Authoring The City Manager To Enter Into A First Amendment To The Professional Services Contract With Kidango, Inc. To Reduce The Services Provided Due To A Significant Increase In The Cost Of Food For Daily Meal Service As A Result Of A Significant Increase In The Rate Of Inflation Since The Contract Was Executed**

### RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to enter into a First Amendment to the Professional Services Contract with Kidango, Inc. to reduce the services provided due to a significant increase in the cost of food for daily meal service as a result of a significant increase in the rate of inflation since the contract was executed.

### BACKGROUND

The Emeryville Child Development Center (ECDC) has been in operation over 40 years. The Center is open ten and half hours per day, Monday through Friday, 247 days per year. The program currently has 56 participants. As part of the program and as a requirement for receiving funding from the State of California, Department of Education for subsidized childcare for low-income families, the City is required to provide meals to the children throughout the day under the Child and Adult Food Care Program (CACFP). For many years, the Center was staffed by an on-site cook to prepare the meals. After an extensive evaluation of food service at the Center, the City decided that contracting out the meal program would allow ECDC to provide a reliable, quality meal program on a consistent basis. The City has been contracting out food services at the ECDC since 2013.

### DISCUSSION

On June 29, 2021, the City of Emeryville entered a Professional Services Agreement with Kidango, Inc. to be the food vendor for ECDC providing breakfast, lunch, milk, and snack service.

Recently, City staff was contacted by Kidango, Inc. regarding their significant increase in costs for providing meal service due to rising food costs and inflation. Staff was also notified that, due to Kidango, Inc.'s increased costs, it would no longer be able to provide food service for the program for the amount set forth under the contract and requested a price increase from \$6.32 to \$9.20 per day for breakfast, snack, and lunch service.

Staff reached out to the other vendor who submitted a bid proposal, and that vendor indicated it would be unable to honor its original price submission also due to rising food costs and inflation and would only be able to offer lunch service at an even higher rate than the amount requested by Kidango, Inc.

Following further discussions with City staff, Kidango, Inc. agreed to reduce its meal service to lunch only, including milk service, for a cost of \$5.22 per day for the remainder of the contract. Staff will use the difference from the original contract amount to purchase breakfast and snacks that adhere to the food guidelines set forth by the CACFP.

### **FISCAL IMPACT**

The original contract amount totaled \$87,833.20. From July-October 2022, the City paid Kidango \$26,093.69. Under the proposed contract amendment, staff estimates that Kidango will be paid \$46,771.20 for the period from November 2022 to June 2023. As a result, staff estimates that Kidango will be paid approximately \$73,000 under the existing contract.

The annual funding to cover the contract and the paper products and utensils for FY 22/23 budget is \$95,500 (\$88,000 food and \$7,500 supplies). Staff will use the difference that will be paid to Kidango, Inc. for providing lunch service only to purchase and provide breakfast and snacks for the program.

### **STAFF COMMUNICATION WITH THE PUBLIC**

There has been no communication with the public.

**PREPARED BY:** Rebecca Sermeno, Interim Community Services Director

### **APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Adam Politzer, Interim City Manager

### **ATTACHMENTS**

- Kidango Executed Contract June 29, 2022
- Resolution
  - Professional Service Contract Amendment
  - Kidango PSA Scope of Work Exhibit A-1 2022-2023