

City of Providence
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 506

EFFECTIVE November 17, 2014

RESOLVED, That the Members of the Providence City Council
hereby Authorize Approval of the following Contract Award by the Board of
Contract and Supply, in accordance with Section 21-26 of the Code of Ordinances.

Sodexo Management, Inc.
(School Department)

\$17,055,804.00

IN CITY COUNCIL

NOV 06 2014

READ AND PASSED



PRES.



CLERK

ACTING

Effective without the
Mayor's Signature


Lori L. Hagen

City Clerk

ACTING

MATTHEW M. CLARKIN, JR.
INTERNAL AUDITOR
25 DORRANCE STREET, ROOM #307
PROVIDENCE, RI 02903
Phone: (401) 421-7740 EXT. 577
Fax: (401) 351-1056
mclarkin@providenceri.com



City of Providence, Rhode Island
Office of the Internal Auditor

September 18, 2014

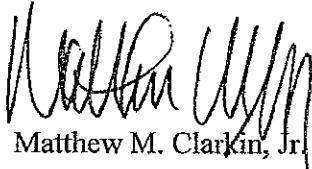
Ms. Lori Hagen
City Clerk's Office
City of Providence
25 Dorrance Street
Providence, RI 02903

Dear Lori:

In accordance with Section 21-26 of the City's Code of Ordinances, I am writing to request that the following requested contract awards be submitted to the City Council and the Education Subcommittee.

- *School Department* – Award of contract for Food Operations and Management Services to the second low bidder, Sodexo Management, Inc. of Altamonte Springs, FL, in an amount not to exceed \$17,055,804.

Sincerely,



Matthew M. Clarkin, Jr.
Internal Auditor

Cc: Alan Sepe, Director of Operations
Francisco Ramirez, Director of Purchasing
Yvonne Graf, Chief of Staff City Council
James Lombardi, City Treasurer
Judith Petrarca, Purchasing Administrator – School Dept.

ANGEL TAVERAS
Mayor

SUSAN F. LUST, Ph.D.
Superintendent

Providence Schools

Providence Public School District
Purchasing Office
797 Westminster Street
Providence, RI 02903-4045
tel. 401.456.9264
fax 401.456.9292

Date: September 10, 2014

The Honorable Angel Taveras
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Taveras:

RE: RFP For Food Operations and Management Services/Providence School Department/Food Services-Food Service Account

(Title of Item/Service)

DATE OF BID OPENING: June 2, 2014

RECOMMENDED BIDDER: Sodexo Management, Inc.
283 Cranes Roost Blvd. Ste. 260
Altamonte Springs, FL 32701
(Name and Address)

AMOUNT RECOMMENDED: Not to exceed \$17,055,804.00.

In response to our request for proposal regarding the above entitled, our Department received the following Bids; (Please list by low bidder first)

	NAME	BASE	BID AMOUNTS ALTERNATES	TOTAL
1.	Chartwell's			\$16,582,612.00
2.	Sodexo Management, Inc.			Not to exceed \$17,055,804.00
3.	Aramark			\$17,075,952.00

(Additional sheet is ☐ is not ☐ attached)

On the basis of said bids, we recommend the low bidder, as identified on LINE 1, which firm's bid has met the specifications. (See enclosed letter and documents.)

☒ On the basis of said bids, we recommend the bidder identified on LINE 2. While not the apparent low bidder, a review of the bids reveal that it is in the best interest of the City to reject the low bidder(s) because: Please see attached letter from Bernie Luger, COO.

(Additional sheet is ☐ is not ☐ attached)

Based on purchases of approx. \$6,642,934.00

MINORITY PARTICIPATION	\$ 405,436.00.00(MBE)	%	6
	\$ 388,615.00.00(WBE)	%	6

Respectfully submitted,

Account Code 60 02700-312102500 55701 600100000-15-01
Food Service.

Amount Not to exceed \$17,055,804.00.

Finance Approval: [Signature]

[Signature]
Judith Petrarca
Purchasing Administrator

An Equal Opportunity Employer. The Providence School Department does not discriminate on the basis of race, age, sex, religion, sexual orientation, gender identity or expression, national origin, color, disability or veteran status. Vision: The Providence Public School District will be a national leader in educating urban youth. Mission: The Providence Public School District will prepare all students to succeed in the nation's college's and universities, and in their chosen professions.

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

DATE: June 2, 2014

TO: Acting Purchasing Director

SUBJECT: **RFP FOR FOOD OPERATIONS AND MANAGEMENT SERVICES/FOOD SERVICE – SCHOOL DEPARTMENT.**

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that all bids be referred to the Acting Purchasing Director for tabulation.

Bids from:

Aramark
Chartwells
Sodexo

and are

cc: Pur.Dir.
File

A handwritten signature in cursive script, reading "Lou L. Hagen".

Second Deputy City Clerk

ANGEL TAVERAS
Mayor

Susan Lusi, Ph.D.
Superintendent

BERNIE LUGER, III
Chief Operating Officer

**Providence
Schools**
OUR SCHOOLS. OUR FUTURE

Providence Public Schools
Office of the Chief Operating Officer
797 Westminster Street
Providence, RI 02903
Ph: (401) 456-0658

September 10, 2014

To the members of the Board of Contracts:

An RFP for the Food Service Program was developed during Spring 2014. Input was solicited from both internal and external stakeholders, and the RFP was approved by RIDE as required by Federal regulations. The scoring matrix of the RFP was approved by RIDE and provided to all potential bidders as part of the RFP process.

The RFP was released on April 14, 2014. We had a pre-bid meeting on April 22, 2014, and tours of our facilities were conducted on April 22, 2014 and also during the following week. Two rounds of questions regarding the bid were answered and provided to all interested vendors.

The original closing deadline for bids was May 19, 2014, but at the request of the vendors we extended the deadline to June 2, 2014. Three bidders submitted proposals, and all were accepted for review. A bid evaluation committee was formed and a cross-section of stakeholders was asked to participate in the evaluation process, including students, teachers, staff, parents, and school board members. The final committee consisted of 11 members.

References of all bidders were checked by PPSD staff. All vendors received satisfactory reviews by their references.

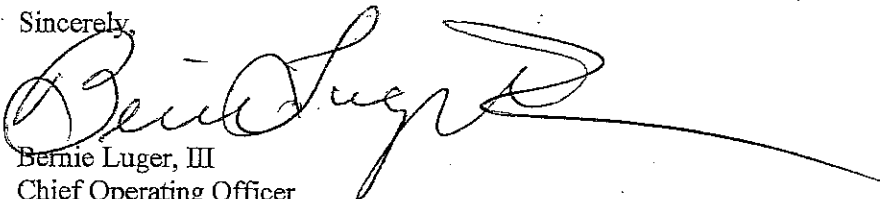
The committee reviewed the proposals and had a meeting with the vendors who submitted proposals on June 12, 2014. Vendors were given an opportunity to do a brief presentation and also to exhibit their food for the committee.

Committee members scored the proposals on June 16, 2014, and while there was discussion about how items should be scored, each member scored the proposals separately and is responsible for their own scores. Ten members participated in the scoring process. Nine of the ten members scored Sodexo as the best proposal, and the grand total of scores also indicated Sodexo as the best proposal.

Sodexo is not actually the low bidder in terms of expenses, but this is a revenue generating contract and should be evaluated on net return, not just the expenses. Sodexo's expenses are higher than Chartwell's, the return that is guaranteed to the school district is substantially higher: \$1,944,604 vs. \$1,480,769.

Therefore, it was the committee's recommendation to the School Board that Sodexo be engaged as the Food Service Management Company for the Providence Public Schools for the 2014 – 2015 School Year, with four optional one year renewals, pending satisfactory negotiation of a final contract approved by RIDE. RIDE approved the contract on September 8, 2014, and the School Board followed that night. We are therefore moving this contract forward to you for approval.

Sincerely,



Bernie Luger, III
Chief Operating Officer
Chair, Food Service RFP Review Committee

Data Comparison	School	Sodium - FSMC Menu Extended Price	% of Revenue	Sodium - RFP Menu Extended Price	% of Revenue	Chartwells - FSMC Menu Extended Price	% of Revenue	Arenara - LEA Menu Extended Price	% of Revenue	Arenara - FSMC Menu Extended Price	% of Revenue
Sales Lunch											
Paid Meals	Elementary Schools	276,825	1.0%	276,825	1.0%	330,692	2.0%	368,577	2.3%	368,578	2.3%
	Middle Schools	-	-	-	-	49,593	0.3%	149,694	0.3%	149,094	0.3%
	High Schools	-	-	-	-	49,036	0.3%	134,437	1.1%	144,437	1.1%
Reduced-Price Meals	District Wide	86,920	0.3%	86,920	0.3%	85,904	0.3%	-	-	89,095	0.3%
Student a la carte	District Wide	227,439	1.4%	227,439	1.4%	205,022	1.6%	227,744	1.3%	227,744	1.3%
Adult lunches	District Wide	-	-	-	-	-	-	0	-	0	-
adult's a la carte	District Wide	370,750	1.0%	370,750	1.0%	453,858	2.7%	378,974	1.0%	378,974	1.0%
Sales Breakfast											
Paid Meals	Elementary Schools	-	-	-	-	-	-	-	-	-	-
	Middle Schools	-	-	-	-	-	-	-	-	-	-
	High Schools	-	-	-	-	-	-	-	-	-	-
Reduced-Price Meals	District Wide	-	-	-	-	-	-	-	-	-	-
Adult Breakfast	District Wide	-	-	-	-	-	-	48,762	0.3%	48,762	0.3%
Other Sales/Income											
Special Functions		376,980	3.4%	376,980	3.4%	491,352	3.0%	-	-	-	-
Bank Interest		-	-	-	-	-	-	-	-	-	-
Other Income - Commodity Allocation		820,001	4.8%	820,001	4.8%	-	-	-	-	-	-
Other Income		-	-	-	-	-	-	-	-	-	-
	Subtotal Sales [A]	2,168,285	12.7%	2,168,285	12.7%	2,315,728	10.8%	3,886,472	11.3%	3,886,472	11.1%
Federal Reimbursement Lunch											
Paid Meals	District Wide	130,284	0.8%	130,284	0.8%	155,838	0.9%	159,878	0.9%	159,878	0.9%
Reduced-Price Meals	District Wide	344,394	2.4%	344,394	2.4%	370,499	3.4%	627,517	3.4%	627,517	3.4%
Free Meals	District Wide	3,148,154	55.8%	3,148,154	55.8%	3,229,445	56.0%	3,294,446	54.2%	3,294,446	54.2%
Severe Need	District Wide	-	-	-	-	-	-	74,225	0.4%	74,225	0.4%
Federal Reimbursement Breakfast											
Paid Meals	District Wide	86,257	0.3%	86,257	0.3%	88,814	0.5%	102,959	0.6%	102,959	0.6%
Reduced-Price Meals	District Wide	244,462	1.3%	244,462	1.3%	247,891	1.3%	223,282	1.2%	223,282	1.2%
Free Meals	District Wide	4,198,885	74.4%	4,198,885	74.4%	4,162,457	73.2%	3,727,627	22.2%	3,727,627	21.8%
Severe Need	District Wide	-	-	-	-	-	-	762,005	4.5%	762,005	4.5%
Federal Reimbursement Snacks											
Paid Snacks	District Wide	-	-	-	-	-	-	-	-	-	-
Reduced-Price Snacks	District Wide	-	-	-	-	-	-	-	-	-	-
Free Snacks	District Wide	181,092	1.3%	181,092	1.3%	-	-	124,574	0.7%	124,574	0.7%
	Subtotal Federal Reimbursements [B]	14,587,603	85.0%	14,587,603	85.0%	14,668,873	85.7%	15,859,494	81.0%	15,859,494	84.0%
TOTAL REVENUES	A + B + C	17,095,804	100.0%	17,095,804	100.0%	16,582,621	100.0%	17,075,862	100.0%	17,075,862	100.0%
PROJECTED EXPENSES											
Food											
Student Lunches		3,350,544	19.6%	3,174,339	18.6%	5,090,389	30.2%	5,496,407	31.8%	5,496,407	31.8%
Student Breakfasts		2,172,103	14.5%	2,241,891	13.7%	2,051,081	15.8%	2,488,423	15.7%	2,488,423	15.7%
Adult Lunches		-	-	-	-	47,279	0.3%	-	-	-	-
Special Functions		239,490	1.7%	243,489	1.7%	221,108	1.3%	-	-	-	-
USDA Processing Charge		-	-	-	-	-	-	8,000	0.0%	8,000	0.0%
USDA Commodity Charge		-	-	-	-	-	-	[802,143]	4.9%	[802,143]	4.9%
Student After-School Snacks		154,540	0.9%	154,540	0.9%	-	-	61,705	0.4%	61,705	0.4%
District Wide a la Carte		204,095	1.2%	204,133	1.2%	309,119	1.9%	169,820	1.0%	169,820	1.0%
Other - Commodity		820,001	4.8%	820,001	4.8%	-	-	-	-	-	-
Other		-	-	-	-	[679,891]	-5.3%	619,848	3.6%	619,848	3.6%
Lease/Volunt Allowance/Rebate/Credits		887,680	5.2%	845,634	5.0%	1,193,479	7.2%	1,653,880	9.7%	1,653,880	9.7%
Net Food Cost [D]		6,422,181	37.5%	6,137,772	36.0%	6,095,418	36.8%	7,884,181	46.2%	7,884,181	46.2%
Labor											
FSMC Management Labor											
Payment of Full and Part Time Salaries/Wages		964,139	5.7%	964,139	5.7%	992,440	6.0%	833,785	4.8%	833,785	4.8%
Payroll Taxes (FICA, Medicare)		73,757	0.4%	73,757	0.4%	-	-	-	-	-	-
Fringe Benefits		133,096	0.8%	133,096	0.8%	380,415	2.3%	61,024	0.4%	61,024	0.4%
Worker's Compensation		-	-	-	-	-	-	160,500	1.0%	160,500	1.0%
Unemployment Compensation		43,966	0.3%	43,966	0.3%	-	-	27,782	0.2%	27,782	0.2%
Traveling and Development		-	-	-	-	-	-	10,000	0.1%	10,000	0.1%
FSMC Non-Management Labor											
Payment of Full and Part Time Salaries/Wages		2,828,418	16.5%	2,828,418	16.5%	3,321,983	19.2%	3,492,339	21.8%	3,492,339	21.8%
Payroll Taxes (FICA, Medicare)		218,440	1.3%	218,440	1.3%	-	-	281,846	1.6%	281,846	1.6%
Fringe Benefits		1,879,449	11.0%	1,879,449	11.0%	2,376,676	14.3%	1,795,501	10.5%	1,795,501	10.5%
Unemployment Compensation		318,358	1.9%	318,358	1.9%	-	-	346,850	2.0%	346,850	2.0%
Total Payroll/Benefits [E]		6,428,657	37.5%	6,459,657	37.3%	6,815,438	41.3%	7,185,864	41.8%	7,185,864	41.8%
Other Expenses											
Auto Allowance		24,000	0.1%	24,000	0.1%	-	-	-	-	-	-
Detergent/Cleaning Supplies		30,000	0.2%	30,000	0.2%	15,000	0.0%	32,500	0.2%	32,500	0.2%
Paper/Disposable Supplies		450,000	2.6%	459,000	2.7%	440,753	2.7%	48,042	0.4%	48,042	0.4%
Replication of China, Glass, Pottery, Pops, Pans, Pots		30,000	0.2%	30,000	0.2%	-	-	395,983	2.3%	395,983	2.3%
Depreciation/Amortization		12,000	0.1%	12,000	0.1%	-	-	-	-	-	-
Equipment Rental		10,000	0.1%	10,000	0.1%	127,600	0.7%	-	-	127,600	0.7%
Equipment Repair		100,000	0.6%	100,000	0.6%	-	-	-	-	-	-
Insurance		-	-	-	-	-	-	272,652	1.6%	272,652	1.6%
Consulting Fee		5,000	0.0%	5,000	0.0%	-	-	-	-	-	-
Allocated Charges		35,000	0.2%	35,000	0.2%	-	-	-	-	-	-
Menu/Ticket Printing		18,000	0.1%	18,000	0.1%	2,000	0.0%	-	-	-	-
Office Supplies		7,200	0.0%	7,200	0.0%	30,890	0.2%	81,992	0.5%	81,992	0.5%
Performance Bond		127,800	0.7%	127,800	0.7%	61,250	0.4%	34,909	0.2%	34,909	0.2%
Physicals		-	-	-	-	15,730	0.1%	-	-	-	-
Inspections		15,000	0.1%	15,000	0.1%	-	-	-	-	-	-
Background Check		8,287	0.0%	8,192	0.0%	-	-	2,265	0.0%	2,265	0.0%
Program Promotion		20,000	0.1%	20,000	0.1%	11,743	0.1%	94,560	0.6%	94,560	0.6%
Telephone		20,000	0.1%	20,000	0.1%	-	-	-	-	-	-
Cellular Phone		-	-	-	-	-	-	-	-	-	-
Staff Uniforms		50,000	0.3%	50,000	0.3%	30,250	0.2%	11,700	0.1%	11,700	0.1%
Laundry Services		-	-	-	-	17,614	0.1%	57,800	0.3%	57,800	0.3%
Rent		120,000	0.7%	120,000	0.7%	134,876	0.7%	114,876	0.7%	114,876	0.7%
Water, Gas, and Electric Utilities		5,000	0.0%	5,000	0.0%	23,452	0.1%	23,452	0.1%	23,452	0.1%
Vehicle Repair/Maint.		69,400	0.4%	69,400	0.4%	-	-	-	-	-	-
District Wellness Coordinator		30,000	0.2%	30,000	0.2%	20,000	0.1%	79,296	0.5%	79,296	0.5%
Taxes / Licenses / Fees		72,000	0.4%	72,000	0.4%	15,000	0.1%	-	-	76,000	0.5%
Small Equipment		-	-	-	-	-	-	-	-	-	-
Other		11,186	0.1%	11,186	0.1%	-	-	124,807	0.7%	124,807	0.7%
Delivery/Freight		70,000	0.4%	70,000	0.4%	-	-	128,887	0.8%	128,887	0.8%
Total Other Expenses [F]		1,378,778	8.1%	1,378,778	8.1%	1,246,435	7.5%	1,811,483	11.2%	1,832,435	11.2%
FSMC Costs Under Option 1 Level of Guarantee											
Option 1 Level of Guarantee Fee Structure											
Management Fee per meal Equivalent		256,286	1.5%	256,286	1.5%	185,381	1.6%	261,252	1.5%	262,752	1.5%
General Support Services Fee per meal Equivalent		614,198	3.6%	614,198	3.6%	357,773	3.4%	879,624	4.0%	879,624	4.0%
Total FSMC Costs with Option 1 [G]		870,484	5.1%	870,484	5.1%	543,154	5.0%	1,140,876	6.5%	1,142,376	6.5%
D = E + F + G		15,111,220	84.8%	14,846,792	87.0%	14,448,771	87.0%	15,592,443	90.8%	15,592,443	90.8%
Total Revenue		17,095,804	100.0%	17,095,804	100.0%	16,582,621	91.2%	17,075,862	100.0%	17,075,862	100.0%
Total Expenses		25,111,220	84.8%	24,846,792	87.0%	25,201,812	85.1%	27,075,862	100.0%	27,075,862	100.0%
Profit (Revenue minus Expenses)		1,984,604	11.4%	2,249,013	13.0%	1,440,768	8.1%	[1]	-0.0%	27,075,862	100.0%
FSMC Costs Under Option 2 Level of Guarantee											
Option 2 Level of Guarantee Fee Structure											
Management Fee per meal Equivalent		256,085	1.5%	256,086	1.5%	-	-	-	-	-	-
General Support Services Fee per meal Equivalent		614,198	3.6%	614,198	3.6%	-	-	-	-	-	-
Total FSMC Costs with Option 2		870,283	5.1%	870,284	5.1%	-	-	-	-	-	-
D = E + F + G		15,111,220	84.8%	14,846,792	87.0%	-	-	-	-	-	-
Total Revenue		17,095,804	100.0%	17,095,804	100.0%	-	-	-	-	-	-
Total Expenses		25,111,220	84.8%	24,846,791	87.0%	-	-	-	-	-	-
Profit (Revenue minus Expenses)		1,984,604	11.4%	2,249,013	13.0%	-	-	-	-	-	-

SCHEDULE A
Case 2: FSMC Developed Menus

Projection Comparison		Column A	Column B	Column A / Column B
Meal Type	Payment Category	# of meal type served in most current 12 month period.	Proposed # of meals presented in this Proposed Budget	% change in participation (note if change is greater than 3%, FSMC will provide information on how this increase will be achieved)
Breakfast	Free	2,144,340	2,295,540	7.1%
	Reduced	152,820	162,540	6.4%
	Paid	318,960	364,140	14.2%
Lunch	Free	2,982,960	3,021,120	1.3%
	Reduced	220,500	232,740	5.6%
	Paid	375,660	452,880	20.6%
Afterschool Snack	Free	151,920	151,920	0.0%
	Reduced		0	
	Paid		0	
Other Sales		123,287	123,287	0.0%

CHARTWELLS

SCHEDULE A
PROPOSED BUDGET

Projection Comparison		Column A	Column B	Column A / Column B
Meal Type	Payment Category	# of meal type served in most current 12 month period.	Proposed # of meals presented in the Proposed Budget	% change in participation (note if change is greater than 3%, FSMC will provide information on how this increase will be achieved)
Breakfast	Free	2,070,489	2,142,975	3.5%
	Reduced	147,074	150,482	2.3%
	Paid	285,566	297,634	4.2%
Lunch	Free	2,887,559	3,037,407	5.2%
	Reduced	211,973	214,511	1.2%
	Paid	352,157	371,552	5.5%
Afterschool Snack/Supper	Free	144,343	144,343	0.0%
	Reduced			
	Paid			
Other Sales				

SODEXO

Projection Comparison		Column A	Column B	Column A / Column B
Meal Type	Payment Category	# of meal type served in most current 12 month period.	Proposed # of meals presented in this Proposed Budget	% change in participation (note if change is greater than 3%, FSMC will provide information on how this increase will be achieved)
Breakfast	Free	2,158,356	2,153,275	-0.24%
	Reduced	149,874	151,501	1.07%
	Paid	279,705	297,437	5.96%
Lunch	Free	2,910,876	2,957,469	1.58%
	Reduced	211,661	217,299	2.59%
	Paid	330,524	352,119	6.13%
Afterschool Snack	Free	213,011	220,771	3.51%
	Reduced			
	Paid			
Other Sales				
Dinner Program		11,760	11,760	0.00%
Equivalent Meals		476,581	306,199	-35.75%