

**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. \$17,055,804.00  
(School Department)

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

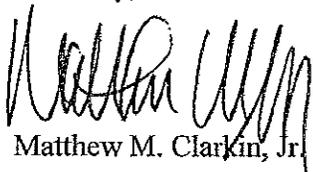
Ms. Lori Hagen  
City Clerk's Office  
City of Providence  
25 Dorrance Street  
Providence, RI 02903

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

# Providence Schools

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

SUSAN F. LUST, Ph.D.  
Superintendent

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

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

Handwritten signature of Lou L. Hagen in cursive.

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 - FS/MC Menu Extended Price	% of Revenue	Sodium - REP Menu Extended Price	% of Revenue	Charter/CLB - FS/MC Menu Extended Price	% of Revenue	Armark - LEA Menu Extended Price	% of Revenue	Armark - FS/MC Menu Extended Price	% of Revenue
Sales Lunch											
Field Meals	Elementary Schools	275,825	1.6%	275,825	1.6%	330,081	1.9%	343,573	2.1%	243,573	1.1%
	Middle Schools	-	-	-	-	43,953	0.3%	149,094	0.9%	143,094	0.7%
	High Schools	-	-	-	-	45,038	0.3%	134,437	0.8%	144,437	0.7%
Reduced-Price Meals	District Wide	86,920	0.5%	86,920	0.5%	85,804	0.5%	32,096	0.2%	83,096	0.4%
Student & In-Canteen	District Wide	237,439	1.4%	237,439	1.4%	209,021	1.2%	217,944	1.3%	237,439	1.1%
Adult In-Canteen	District Wide	370,750	2.2%	370,750	2.2%	451,854	2.7%	178,074	1.0%	378,074	1.8%
Sales Breakfast											
Field Meals	Elementary Schools	-	-	-	-	-	-	-	-	-	-
	Middle Schools	-	-	-	-	-	-	-	-	-	-
	High Schools	-	-	-	-	-	-	-	-	-	-
Reduced-Price Meals	District Wide	-	-	-	-	-	-	-	-	-	-
Adult Breakfast	District Wide	-	-	-	-	-	-	44,762	0.3%	44,762	0.2%
Other Sales/Income											
Special Functions		576,890	3.4%	576,890	3.4%	491,352	3.0%	-	-	-	-
Bank Interest		-	-	-	-	-	-	-	-	-	-
Other Income - Commodity Allocation		820,001	4.8%	820,001	4.8%	-	-	-	-	-	-
Other Income		-	-	-	-	-	-	85,472	0.5%	85,472	0.4%
Subtotal Sales (A)		2,168,255	12.7%	2,168,255	12.7%	2,215,709	13.0%	1,846,472	11.3%	1,846,472	11.1%
Federal Reimbursement Lunch											
Field Meals	District Wide	130,284	0.8%	130,284	0.8%	152,838	0.9%	159,879	0.9%	153,879	0.8%
Reduced-Price Meals	District Wide	544,534	3.0%	544,534	3.0%	570,439	3.2%	617,517	3.4%	617,517	3.0%
Free Meals	District Wide	3,143,154	18.5%	3,143,154	18.5%	3,294,439	19.0%	3,294,439	19.2%	3,294,439	18.2%
Severe Need	District Wide	-	-	-	-	-	-	74,235	0.4%	74,235	0.4%
Federal Reimbursement Breakfast											
Field Meals	District Wide	86,257	0.5%	86,257	0.5%	88,814	0.5%	101,959	0.6%	101,959	0.5%
Reduced-Price Meals	District Wide	244,482	1.4%	244,482	1.4%	247,881	1.4%	233,252	1.3%	233,252	1.2%
Free Meals	District Wide	4,194,845	24.4%	4,194,845	24.4%	4,151,657	24.3%	3,737,627	21.9%	3,737,627	21.9%
Severe Need	District Wide	-	-	-	-	-	-	784,005	4.5%	784,005	4.5%
Federal Reimbursement Snacks											
Field Snacks	District Wide	-	-	-	-	-	-	-	-	-	-
Reduced-Price Snacks	District Wide	-	-	-	-	-	-	-	-	-	-
Free Snacks	District Wide	181,092	1.0%	181,092	1.0%	-	-	124,574	0.7%	124,574	0.7%
Subtotal Federal Reimbursements (B)		14,597,605	85.0%	14,597,605	85.0%	14,668,878	85.0%	15,659,494	91.0%	15,659,494	86.0%
State Match Subtotal (Breakfast and Lunch/State A)		290,000	1.7%	290,000	1.7%	-	-	168,286	1.0%	168,286	1.0%
TOTAL REVENUES	A + B + C	17,055,804	100.0%	17,055,804	100.0%	15,582,612	100.0%	17,075,162	100.0%	17,075,162	100.0%
PROJECTED EXPENSES											
Food											
Student Lunches		3,350,544	19.6%	3,374,389	19.8%	5,000,389	30.2%	5,416,407	31.8%	5,416,407	31.8%
Student Breakfasts		2,172,101	12.7%	2,241,891	13.1%	2,593,081	16.3%	2,483,421	14.5%	2,483,421	14.5%
Adult Lunches		-	-	-	-	47,279	0.3%	-	-	-	-
Special Functions		288,490	1.7%	288,490	1.7%	221,108	1.4%	-	-	-	-
USDA Processing Charge		-	-	-	-	-	-	8,000	0.0%	8,000	0.0%
USDA Commodity Charge		-	-	-	-	-	-	(82,140)	-0.5%	(82,140)	-0.5%
Student After-School Snacks		154,540	0.9%	154,540	0.9%	309,319	1.9%	87,205	0.5%	87,205	0.5%
District Wide & In-Canteen		204,095	1.2%	204,095	1.2%	-	-	189,820	1.1%	189,820	1.1%
Other - Commodity		820,001	4.8%	820,001	4.8%	-	-	-	-	-	-
Other		-	-	-	-	(278,811)	-1.7%	818,848	4.8%	818,848	4.8%
Less: Volume Allowance/Rebates/Credits		887,880	5.2%	887,880	5.2%	1,193,879	7.7%	1,033,890	6.1%	1,033,890	6.1%
Net Food Cost (F)		6,402,181	37.5%	6,437,772	37.8%	6,086,415	39.0%	7,046,149	41.3%	7,046,149	41.3%
Labor											
FS/MC Management Labor											
Payment of Full and Part Time Salaries/Wages		984,332	5.8%	984,332	5.8%	892,840	5.7%	831,745	4.9%	831,745	4.9%
Payroll Taxes (FICA, Medicare)		75,757	0.4%	75,757	0.4%	-	-	-	-	-	-
Fringe Benefits		130,096	0.8%	130,096	0.8%	380,415	2.4%	63,024	0.4%	63,024	0.4%
Worker's Compensation		43,866	0.3%	43,866	0.3%	-	-	182,500	1.1%	182,500	1.1%
Unemployment Compensation		-	-	-	-	-	-	27,782	0.2%	27,782	0.2%
Training and Development		-	-	-	-	-	-	10,000	0.1%	10,000	0.1%
FS/MC Non-Management Labor											
Payment of Full and Part Time Salaries/Wages		2,828,424	16.6%	2,838,416	16.6%	3,281,963	19.2%	3,682,589	21.6%	3,682,589	21.6%
Payroll Taxes (FICA, Medicare)		216,840	1.3%	216,840	1.3%	216,840	1.3%	216,840	1.3%	216,840	1.3%
Fringe Benefits		1,879,919	11.0%	1,879,919	11.0%	2,376,676	14.5%	1,746,901	10.2%	1,746,901	10.2%
Unemployment Compensation		318,558	1.9%	318,558	1.9%	346,850	2.2%	380,350	2.2%	380,350	2.2%
Total Payroll/Benefits (G)		6,438,657	37.8%	6,438,657	37.8%	6,815,434	43.1%	7,153,564	41.8%	7,153,564	41.8%
Other Expenses											
Auto Allowance		24,000	0.1%	24,000	0.1%	25,000	0.2%	25,000	0.1%	25,000	0.1%
Detergent/Cleaning Supplies		30,000	0.2%	30,000	0.2%	30,000	0.2%	30,000	0.2%	30,000	0.2%
Paper/Disposable Supplies		450,000	2.6%	450,000	2.6%	460,705	2.9%	460,705	2.7%	460,705	2.7%
Replacement of Cans, Glass, Plates, Pots, Pans		30,000	0.2%	30,000	0.2%	-	-	-	-	-	-
Depreciation/Amortization		12,000	0.1%	12,000	0.1%	12,000	0.1%	12,000	0.1%	12,000	0.1%
Equipment Rental		100,000	0.6%	100,000	0.6%	100,000	0.6%	100,000	0.6%	100,000	0.6%
Equipment Repair		100,000	0.6%	100,000	0.6%	-	-	272,652	1.6%	272,652	1.6%
Insurance		-	-	-	-	-	-	-	-	-	-
Consulting Fee		5,000	0.0%	5,000	0.0%	-	-	-	-	-	-
Allocated Charges		35,000	0.2%	35,000	0.2%	-	-	-	-	-	-
Menu/Print Printing		18,000	0.1%	18,000	0.1%	2,000	0.0%	-	-	-	-
Office Supplies		7,200	0.0%	7,200	0.0%	20,000	0.1%	41,952	0.2%	41,952	0.2%
Performance Bond		127,800	0.7%	127,800	0.7%	65,230	0.4%	34,900	0.2%	34,900	0.2%
Physicals		-	-	-	-	-	-	-	-	-	-
Inspections		15,000	0.1%	15,000	0.1%	15,730	0.1%	-	-	-	-
Background Check		8,192	0.0%	8,192	0.0%	-	-	2,265	0.0%	2,265	0.0%
Program Promotions		20,000	0.1%	20,000	0.1%	11,743	0.1%	54,540	0.3%	54,540	0.3%
Telephone		20,000	0.1%	20,000	0.1%	-	-	-	-	-	-
Cellular Phone		-	-	-	-	-	-	-	-	-	-
Staff Uniforms		50,000	0.3%	50,000	0.3%	-	-	11,700	0.1%	11,700	0.1%
Laundry Services		-	-	-	-	30,500	0.2%	57,800	0.3%	57,800	0.3%
Rent		120,000	0.7%	120,000	0.7%	114,876	0.7%	114,876	0.7%	114,876	0.7%
Water, Gas, and Electric Utilities		5,000	0.0%	5,000	0.0%	5,000	0.0%	23,452	0.1%	23,452	0.1%
Vehicle Repair/Maint.		25,000	0.1%	25,000	0.1%	-	-	-	-	-	-
District Wellness Coordinator		50,000	0.3%	50,000	0.3%	20,000	0.1%	79,299	0.5%	79,299	0.5%
Taxes / Licenses / Fees		75,000	0.4%	75,000	0.4%	15,000	0.1%	70,000	0.4%	70,000	0.4%
Small Equipment		-	-	-	-	-	-	126,807	0.7%	126,807	0.7%
Other		11,186	0.1%	11,186	0.1%	25,000	0.2%	123,887	0.7%	123,887	0.7%
Delivery/Freight		70,000	0.4%	70,000	0.4%	-	-	-	-	-	-
Total Other Expenses (H)		1,379,778	8.1%	1,379,778	8.1%	1,246,115	7.9%	1,912,483	11.2%	1,912,483	11.2%
FS/MC Costs Under Option 1 Level of Guarantee											
Management Fee per meal Equivalent		256,286	1.5%	256,286	1.5%	285,881	1.8%	263,752	1.5%	263,752	1.5%
General Support Services Fee per meal Equivalent		614,198	3.6%	614,198	3.6%	557,773	3.4%	676,014	4.0%	676,014	4.0%
Total FS/MC Costs with Option 1 (I)		870,484	5.1%	870,484	5.1%	843,654	5.3%	940,766	5.5%	940,766	5.5%
D + E + F + G		15,111,200	88.0%	15,111,200	88.0%	14,844,791	95.2%	15,942,412	93.4%	15,942,412	93.4%
Total Revenue		17,055,804	100.0%	17,055,804	100.0%	15,582,612	100.0%	17,075,162	100.0%	17,075,162	100.0%
Total Expenses		15,111,200	88.6%	15,111,200	88.6%	14,844,791	95.2%	15,942,412	93.4%	15,942,412	93.4%
Profit (Revenue minus Expenses)		1,944,604	11.4%	1,944,604	11.4%	737,821	4.7%	1,132,750	6.6%	1,132,750	6.6%
FS/MC Costs Under Option 2 Level of Guarantee											
Management Fee per meal Equivalent		256,286	1.5%	256,286	1.5%	-	-	-	-	-	-
General Support Services Fee per meal Equivalent		614,198	3.6%	614,198	3.6%	-	-	-	-	-	-
Total FS/MC Costs with Option 2		870,484	5.1%	870,484	5.1%	-	-	-	-	-	-
D + E + F + G		15,111,200	88.0%	15,111,200	88.0%						

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%