

2008 APPLICATION SUMMARY

PROGRAM TITLE: Food Service for Senior Meals

PROVIDER: Bateman, 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 to procure food service for the meal sites and home delivered meals programs in a seven county area. NWSDS is the lead agency in the food service procurement consortium.

Bateman Senior Meals was selected as the provider following a Request For Proposal (RFP) for Food Production and Delivery Services for the Consortium for FY 03. Bateman Senior Meals has been providing food service for the partnership since 1992.

Bateman has continued to provide high quality food service to our clients in FY 07.

The current contract allows the partners to continue the contract annually for an additional four years. Last winter, the Consortium requested an extension of the contracting period for a sixth year due to the funding uncertainties that were identified in the late months of FY 06. An RFP will be issued in October for services beginning July 1, 2008.

Bateman has supplied a price proposal to the Consortium for FY 08 using the following planning assumptions:

- The Consortium decided to restore \$.05 of the \$.10 reduction in the raw food budget which had been eliminated during the first amendment of the FY 07 budget. The impact of this reduction on the variety and quality of the menu was too great.

- The Consortium agreed that Bateman should make a wage scale adjustment to better align the cook and driver wage scale with the labor market to help stabilize their work force.
- The Consortium reduced the number of hot and frozen meals to be purchased.

In compliance with the Memorandum of Understanding between the three agencies, each Agency is to review the price proposal and then, recommend to NWSDS that it continue the contract with the Service Provider.

METHOD OF SERVICE PROVISION:

The Food Service Provider operates kitchens in Salem, Newport and Eugene. (Note: LCOG “owns” the Eugene kitchen and leases it to the Food Service Provider.) The Eugene kitchen produces meals for all Lane County sites, including Red Cross, as well as for Brownsville, in Linn County. (In addition, LCOG sells additional meals from the Eugene kitchen to Cascade Adult Center and Florence Area Alzheimer’s Hospitality Program.) The Food Service Provider plans the menu; hires, trains and supervises all kitchen staff; purchases raw food; prepares it according to standardized recipes; delivers it in our trucks to the meal sites, where it is served or packaged for home delivery by our staff; and maintains our kitchen equipment and trucks.

The Consortium proposed what we hope is a minimum level of meals which we can purchase. Bateman has loaded all of their fixed costs into the Tier 1 Rate for this Tier 1 volume of meals. If the Consortium exceeds the Tier 1 contracted volume, meals provided in the next full month will be priced at the much lower Tier 2 price which covers only the additional food and preparation costs.

The FY 08 contract calls for preparation of meals according to the following schedule (note: current year comparisons are provided):

Type of Meal	FY 07 #	FY 07 Tier 1 Rate	FY 07 Excess Meals	FY 07 Tier 2 Rate	FY 08 #	FY 08 Tier 1 Rate	FY 08 Excess Meals	FY 08 Tier 2 Rate
Consortium Fresh Meals	481,196	\$3.21	481,196+	\$2.37	472,650	\$3.40	472,650+	\$2.50

Consortium Frozen Meals	115,706	\$2.88	115,706+	\$1.59	117,100	\$2.95	117,100+	\$1.70
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STAFF COMMENTS:

1. The proposed unit cost for hot meals is \$.19 or 5.9% higher than the current year. This is due to the reduced number of contracted meals as well as the addition of \$.05 to the raw food budget, an overall 2% increase in food costs, a 3% increase in wages due to adjusting for the minimum wage increase this January 1, \$.04 for implementing the wage scale adjustments recommended in 2006. In addition, the cost of gas has exceeded the standard CPI.
2. The proposed unit price for the frozen meals is \$.07 or 2.5% higher than the current year. The volume of frozen meals to be purchased is slightly higher this year, but the same cost increases affect this meal rate as well.
3. This budget was negotiated before the State sent out the final FY 08 OAA allocations, before the United Way allocation for Red Cross has been announced and before the Human Services Commission determination on funding Meals on Wheels was made. If the Consortium must reduce meals, Bateman will request a price re-negotiation.

PMC RECOMMENDATION:

That the Senior Services Advisory Council recommend:

- 1) That LCOG contract with NorthWest Senior & Disability Services, as the lead agency in the Food Service Consortium, and;
- 2) That NorthWest Senior & Disability Services continue the contract with Bateman for the provision of food service for FY 08 at the rates no higher than the rates noted below.

Hot Meals Tier 1	Hot Meals Tier 2	Frozen Meals Tier 1	Frozen Meals Tier 2
\$3.40	\$2.50	\$2.95	\$1.70

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