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Title: PROFESSIONAL SERVICES AGREEMENT FOR COMMERCIAL KITCHEN OPERATION AND MEAL SERVICES FOR THE COSTA MESA BRIDGE SHELTER

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Attachments: 1. Agenda Report, 2. PSA with Bracken's Kitchen

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TITLE:

PROFESSIONAL SERVICES AGREEMENT FOR COMMERCIAL KITCHEN OPERATION AND MEAL SERVICES FOR THE COSTA MESA BRIDGE SHELTER

DEPARTMENT: CITY MANAGER'S OFFICE

PRESENTED BY: SUSAN PRICE, ASSISTANT CITY MANAGER

CONTACT INFORMATION: LORI KARAGUEZIAN, SENIOR MANAGEMENT ANALYST, (714) 593-5347

RECOMMENDATION:

Staff recommends the City Council:

1. Award a Professional Services Agreement (PSA) to Bracken's Kitchen, for a term of 1 year with 3 one-year renewal options, in an amount not to exceed \$327,600 annually for commercial kitchen operation and meal services for the Costa Mesa Bridge Shelter.
2. Authorize the City Manager and the City Clerk to execute the agreement and any future amendments to the agreement.

BACKGROUND:

In April 2021, the City of Costa Mesa opened the Permanent Bridge Shelter at 3175 Airway Avenue. The Costa Mesa Bridge Shelter (Bridge Shelter) has a full-service commercial kitchen onsite which was designed to function as a mechanism for community engagement in the solutions to homelessness. The Bridge Shelter kitchen was initially being run by City staff and volunteers. During the Covid-19 pandemic, health and safety guidelines and requirements during the COVID-19 pandemic prevented volunteers from being onsite to provide assistance to City staff. In an effort to

find a short-term solution to this challenge, the Bridge Shelter Operator Mercy House contracted with the former catering company from the temporary Lighthouse Shelter. City staff reached out to various community partners in an effort to identify an operator that could provide meal services during the pandemic, given the workforce challenges within the restaurant/food industry. In December 2021 Bracken's Kitchen began delivering breakfast, lunch, and dinner to the Bridge Shelter on a daily basis, prepared from their remote kitchen in a neighboring City.

In January 2022, the City issued a RFP for a permanent commercial kitchen operator with the goal of finding a partner that, in addition to meal services, could integrate marketing, volunteerism, mentorship, donation, and sponsorship opportunities. Some of the key components of the City's Request for Proposals (RFP) included the ability to accept and utilize surplus foods in compliance with the State's new SB 1383 organic waste disposal reduction and surplus edible food recovery requirements and oversight of a vocational skills training program for kitchen staff. The commercial kitchen at the Bridge Shelter was designed with a passion for community engagement. It was the City's intent and desire to bring in a partner who could provide both meal services and a community benefit.

ANALYSIS:

In December 2021 Bracken's Kitchen assisted the shelter by delivering three ready-to-heat and/or serve meals a day with a cost of \$7.00 per day, per person plus \$75 in delivery fees per week. With this service, Bracken's Kitchen did not have staff on-site, and reheating of meals and cleanup was completed by City and Mercy House staff. The annual cost of this service is about \$190,000.

In response to the City's RFP for permanent commercial operations, the sole proposal received was from Bracken's Kitchen. The proposal from Bracken's Kitchen meets all of the City's requirements for successful kitchen operations in partnership with City and Mercy House staff. Bracken's Kitchen has the capacity and ability to accept and use surplus food items in their meal planning and preparation services in compliance with the State's new SB 1383 organic waste disposal reduction and surplus edible food recovery requirements. The proposal quotes a price of \$12.50 per day, per person. This price is inclusive of procurement of ingredients, kitchen supplies and labor costs for trained and certified staff who will be onsite to cook or reheat food items. Bracken's Kitchen will work alongside City and Mercy House staff in the areas of marketing, community outreach and engagement, donor and sponsor relations, and volunteer recruitment and training. The Bracken's Kitchen proposal also includes their one-of-a-kind onsite vocational skills training program, offering members of the community the opportunity to get hands-on culinary training and experience in kitchen operations and food preparation. Bracken's Kitchen will also provide their food truck to Costa Mesa events to feed and nourish the community.

The cost estimate submitted by Bracken's Kitchen is \$327,600. This figure assumes year-round, maximum 70 bed capacity, without consideration for the periodic meal donations from local restaurants. Meal donations significantly reduce costs and City staff have been successful in securing partnerships with various local restaurants, businesses and community organizations for reoccurring donations to help reduce costs. If awarded this contract, Bracken's Kitchen will have up to 60 days to continue providing meal delivery services while they hire and train staff for on-site kitchen management. This time period will yield a small savings in labor costs. Furthermore, Bracken's Kitchen will be billing the City based on actual weekly Bridge Shelter census numbers. To date, the occupancy levels of the shelter have on average been around 60 persons.

ALTERNATIVES:

The alternative to awarding the permanent commercial kitchen operation contract to Bracken's Kitchen is to continue with their delivery services.

This alternative would not include trained and certified staff preparing meals onsite, volunteer coordination through Bracken's Kitchen's volunteer database, a vocational skills training program, full use of the commercial kitchen with a community benefit, or the use of the Bracken's Kitchen food truck at community events.

FISCAL REVIEW:

Funding for this professional services agreement is available in the FY 2021-22 and FY 2022-23 operating budget.

LEGAL REVIEW:

The City Attorney's office has reviewed this report, prepared the Professional Services Agreement, and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council goals:

- Strengthen the Public's Safety and Improve the Quality of Life

CONCLUSION:

Staff Recommends City Council:

1. Award a Professional Services Agreement (PSA) to Bracken's Kitchen, for a term of 1 year with 3 one-year renewal options, in an amount not to exceed \$327,600 annually for commercial kitchen operation and meal services for the Costa Mesa Bridge Shelter.
2. Authorize the City Manager and the City Clerk to execute the agreement and any future authorized amendments to the agreement.