

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 1, 2022

FROM

JACQUELYN GREENE, Director, Preschool Services Department

SUBJECT

Amendment to Contract with Preferred Meal Systems, Inc. to Provide Food Services for Head Start, Early Head Start, and State Preschool Programs

RECOMMENDATION(S)

Approve **Amendment No. 1**, effective July 1, 2021, to **Contract No. 20-295** with Preferred Meal Systems, Inc. to provide food services for children enrolled in Head Start, Early Head Start, and State Preschool programs, adding individual lunch deliveries, at an increased cost of \$2.86 from \$2.36 per lunch from July 1, 2021, throughout the COVID-19 pandemic and temporarily increasing all the meals cost by 7% from March 1, 2022 to June 30, 2022, with no change to the contract amount of \$6,266,781 and no change to the contract period of June 1, 2020 through May 31, 2023.

(Presenter: Jacquelyn Greene, Director, 383-2005)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

This item does not impact Discretionary General Funding (Net County Cost). The contract amount of \$6,266,781 for these food services is federally funded through the California Department of Social Services Child and Adult Care Food Program. Adequate appropriation and revenue have been included in the Preschool Services Department's (PSD) 2021-22 budget and will be included in the 2022-23 recommended budget.

BACKGROUND INFORMATION

Preferred Meal System, Inc. provides approximately 1,828,769 meals annually to approximately 5,100 children enrolled in Head Start, Early Head Start, and State Preschool programs countywide. The meals served includes breakfast, lunch and a snack at a cost of \$1.27, \$2.27 and \$0.66 respectively with a scheduled rate increase of 3.9% on July 1 each year. Meals are served family style and help provide an environment conducive to learning, as well as assisting in meeting the nutritional needs of the children.

Prior to COVID-19, food items were provided in two and four serving containers. Preferred Meals System, Inc. has been providing lunches in individual serving containers throughout the COVID-19 pandemic. The recommended amendment updates the Preferred Meal System, Inc. contract language to reflect that the contractor will provide and deliver lunches served in individual containers at a cost of \$2.86, increased from \$2.36 per lunch effective July 1, 2021 throughout the COVID-19 pandemic period.

**Amendment to Contract with Preferred Meal Systems, Inc. to Provide Food Services for Head Start, Early Head Start, and State Preschool Programs
March 1, 2022**

Due to unprecedented COVID-induced cost increases in food, packaging, labor, and the cost of getting food to locations, PSD is recommending a temporary 7% meal cost increase from March 1, 2022 to June 30, 2022 for all the three meals to allow Preferred Meals System, Inc. to meet all the increased costs. The cost for the meals will return to the contracted rate schedule June 30, 2022, plus the individual lunch increased cost of \$2.86 until the end of the COVID-19 pandemic. This amendment ensures that children at all preschool sites will continue to receive safe and healthy meal services. The overall cost of the contract will not increase as Preferred Meals System, Inc. has maintained the total cost of service due to a reduction in meals provided as a result of low enrollment at all preschool sites due to COVID-19. PSD continues to recruit for Head Start and Early Head Start programs to increase enrollment. An increase in enrollment in the current school year will not have an impact on the total cost of the contract for 2021-22. As enrollment totals increase, PSD will reassess the total cost of the contract for 2022-23 and if an adjustment is needed, PSD will return to the Board of Supervisors (Board) for approval to amend the contract.

The meal cost at the commencement of the contract, at the annual increase before the individual lunch cost increase, following the individual lunch cost increase and after the recommended 7% meal cost increase, is as follows:

Meal Type	Meal Cost effective 6/1/20	Meal Cost effective 7/1/21	Meal Cost Following Individual Lunch Packaging (\$0.50 added to lunch) effective 7/1/21	Meal Cost Following 7% Temporary Increase effective 3/1/22
Breakfast	\$1.27	\$ 1.32	\$ 1.32	\$ 1.41
Lunch	\$2.27	\$ 2.36	\$ 2.86	\$ 3.06
Snack	\$0.66	\$ 0.68	\$ 0.68	\$ 0.73

PSD operates Head Start, Early Head Start, and State Preschool programs that provide comprehensive child development and family services that include education, health, nutrition, parent involvement, and psychological services for children ages 0 to 5 and their families. The overall goal of these programs is to increase the health and school readiness of disadvantaged children and increase the self-sufficiency of low-income families. PSD provides food services, meals including breakfast, lunch, and snacks, through contracted vendors.

On May 19, 2020 (Item No. 55), the (Board) approved Contract No. 20-295 with Preferred Meal Systems, Inc. in the amount of \$6,266,781 to provide food services for children enrolled in Head

**Amendment to Contract with Preferred Meal Systems, Inc. to Provide
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Programs
March 1, 2022**

Start, Early Head Start, and State Preschool programs for the period of June 1, 2020 through May 31, 2023.

Preferred Meal Systems, Inc.'s performance will be monitored by review of monthly reports and an annual site visit to ensure compliance with the administrative, program, and fiscal terms and conditions of the contract. Preferred Meal Systems, Inc. will cooperate with County in the monitoring and evaluation of this Contract and comply with any and all reporting requirements established by this Contract. Preferred Meal Systems, Inc.'s charges must be for services provided under this funded program. PSD will review the invoice and attachments remitted by Preferred Meal Systems, Inc. prior to payment. The County reserves the right to request additional program and/or fiscal reports to facilitate this monthly review. The contract may be terminated without cause by the County with 30 days written notice.

On July 1, 2021, Preferred Meal Systems, Inc. began providing individual lunches due to the changes necessitated by the pandemic at the higher rate due to the increased cost in providing services. This item is being presented to the Board of Supervisors at this time, as this is the first date available following a lengthy price negotiation between PSD and Preferred Meal Systems, Inc., and the required administrative, operational, and legal reviews. Approval at this time will not impact PSD's services or activities, as Preferred Meal Systems, Inc. has continued to provide the services.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Human Services Contracts (Patty Steven, Contracts Manager, 388-0241) on February 2, 2022; County Counsel (Adam Ebright, Deputy County Counsel, 387-5455) on February 8, 2022; Finance (Paul Garcia, Administrative Analyst, 386-8392) on February 10, 2022; and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on February 11, 2022.

**Amendment to Contract with Preferred Meal Systems, Inc. to Provide
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March 1, 2022**

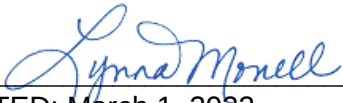
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Dawn Rowe

Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 1, 2022



cc: PSD- Gitonga w/agree
Contractor- C/O PSD w/agree
File- w/agree

LA 03/8/2022