



**MEMORANDUM**  
County of Placer

TO: Board of Supervisors  
FROM: David Boesch, County Executive Officer  
Bekki Riggan, Deputy County Executive Officer  
SUBJECT: Correctional Food Services

November 8, 2016

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**ACTION REQUESTED**

1. Receive an update on the negotiation with Aramark Corporation for delivery of correctional food services;
2. Approve the award of RFP Number 10533 for the full delivery of correctional food services to Aramark Correctional Services, LLC; authorize the Procurement Manager to sign a five year contract in an amount not to exceed \$13.0 million from February 1, 2017 to January 31, 2022, with three additional two-year options, upon Risk Management and County Counsel concurrence, and all required procurement documents;
3. Adopt a Resolution delegating authority to the County Executive Officer to lay off Probation Food Services employees based on necessity due to a lack of work, pursuant to Placer County Code section 3.08.1090.

**BACKGROUND**

On July 12, 2016, your Board directed staff to negotiate with Aramark Corporation in order to arrive at a definitive cost for the delivery of the County's Correctional Food Services program. As required by Title 15 correctional regulations, Placer County provides food services for approximately 750 adult inmates in its three Correctional Detention Facilities, and approximately 20 wards housed in the Juvenile Detention Facility. In addition, the County provides Sheriff and Juvenile Hall staff dining per negotiated employee MOUs, and through a contract with Senior's First provides prepackaged meals for delivery to home bound seniors. The Placer County Probation Department has managed the Correctional Food Services program since 1985, with a current staff of 13 full-time County employees, augmented by inmate labor. The Probation Department has competently managed the program over the years, despite food service not being its core mission. However, correctional food service has become an increasingly complex service area due to AB 109 which allowed for the long term housing of inmates in the Placer County Jail system that had previously been in the state prison system. Dietary issues presented by the long term inmate require an increasing investment of time and expertise. Therefore, in order to increase expertise, efficiency, quality and overall cost savings, it was determined that a different food service delivery model should be considered by your Board.

As set out in the Placer County Charter, the Board may establish a system of priorities and levels of service which are provided between departments and contract for services typically provided by County employees whenever it is more economical to do so. In collaboration with the Sheriff's Office, Probation Department and Administrative Services Department, the County Executive Office initiated a Request for Proposals (RFP) to evaluate service delivery options. The RFP was distributed to two hundred ninety-one potential bidders. Twenty-one firms reviewed the bid, three responses were received, the top two firms were selected for interviews, and the panel unanimously selected Aramark Corporation as the top-ranked firm.

**Aramark Qualifications**

Aramark Corporation provides food services to more than 2,200 K-12 schools and colleges, 2,000 hospitals and senior living facilities, 350 sports and entertainment venues, and 5,400 business dining locations. They are the largest provider of correctional food services in the state of California with 17 county jail clients and over twenty years of experience in the cook-chill approach to large-scale meal

production, the approach currently utilized in the county's Correctional Food Services program. Aramark's decades of experience in corrections food services has resulted in the development of expertise necessary to address issues of custody and security, offender behavior, and re-entry and transition. These programs include IN2WORK, to aid offender re-entry into society, Fresh Favorites, to help with offender behavior issues, and iCare, which allows families to send gifts to incarcerated individuals.

**Result of Negotiations**

On July 12, 2016, County staff briefed your Board on the competitive RFP process. Based on the initial comparison of the Aramark cost proposal to the Probation Department budget, staff estimated a potential cost savings of up to \$5.9 million over the five-year contract term.

Following your Board's direction, the County initiated negotiations with Aramark on the scope of work and clarifying operational expectations between the County and the contractor to include the County's preference for continuing the use of disposable food trays versus the less costly option of using reusable trays as reflected in Aramark's initial cost proposal. Concurrent to the negotiations with Aramark, CEO staff worked with the Sheriff's Office, Probation, and Procurement to thoroughly examine the cost assumptions associated with a private vendor contract. Significant costs would remain including campus and building costs, A-87, legacy employee retiree health, capital equipment depreciation, and 0.5 FTE for contract management. Taken together, these factors have reduced the estimate of net cost savings from \$5.9 million to \$3.0 million over the five-year contract term.

<b>Correctional Food Services Cost Comparison</b>			
<b>Fiscal Year</b>	<b>County Department Model <sup>(a)</sup></b>	<b>Contract Model <sup>(b)</sup></b>	<b>(Savings)</b>
2016-17	\$4,054,348	\$3,634,954	<b>(\$419,394)</b>
2017-18	\$4,345,652	\$3,707,335	<b>(\$638,318)</b>
2018-19	\$4,476,577	\$3,819,249	<b>(\$657,327)</b>
2019-20	\$4,594,292	\$3,935,546	<b>(\$658,746)</b>
2020-21	\$4,713,572	\$4,056,436	<b>(\$657,136)</b>
<b>5-Year Total</b>	<b>\$22,184,441</b>	<b>\$19,153,520</b>	<b>(\$3,030,920)</b>

(a) County Department Model uses Probation Food Services budget, not including outside contracts such as Seniors First and caterings.

(b) Contract Model includes Aramark contract (\$2.5 million annually) plus County costs that would remain (\$1.1 million annually) including campus and building costs, A-87, legacy employee retiree health, capital equipment depreciation, and 0.5 FTE for contract management.

## **County Food Services Employees**

If the County contracts with Aramark for correctional food services, 12 County employees are impacted by the decision; including 9 Cooks, a Senior Cook, a Food Service Supervisor, and a Food Service Manager. In early August 2016, Human Resources staff met with the employees to provide training on applying for County jobs and searching for open County job opportunities. Currently, six of the twelve potentially impacted staff have applied for other positions within the County. Because there are no other cook positions in the County, administratively reassigning the potentially impacted employees to other positions is not possible. The employees may seek a transfer, demotion, or promotion to any other County positions for which they meet the minimum qualifications. Human Resources will facilitate meetings between the employees and the Business Advantage Network to provide training on resume writing and interviewing, and to help the employees identify other job opportunities in the community.

In addition to these efforts, the RFP requested the selected service provider to interview the current employees working in the Food Service Kitchen. Aramark has confirmed its intent to interview all interested County Food Services employees. Staff have reviewed the salary and benefit package offered by Aramark in order to compare it to that of County employees. In order to attract and retain a skilled workforce, Placer County offers a salary and benefits package that is competitive with other public agencies in California. Employees who are vested with Placer County receive a pension administered by the California Public Employees Retirement System (CalPERS), with the retirement formula set according to the year of hire. In addition, the County funds 80% of health insurance premiums, and provides paid holidays and vacations. For entry level food service classifications, it is commonly accepted that the County's public agency salary and benefit package would compare favorably to the private sector. However, a comparison with Aramark also determined that the County's career development and advancement opportunities for its food service positions are far more limited than those offered by Aramark.

### **Layoff Authority Under Chapter 3:**

Pursuant to the Placer County Code, Chapter 3, Section 3.08.1090, layoffs shall be made solely under the direction of the Board of Supervisors, and with Board approval the County Executive Officer may direct a department's appointing authority to lay off employees for necessity, based on lack of funds or work. In this instance, authority is sought to lay off Food Services Program employees due to the transition of the County's food services operation to an outsourced provider. The employee classifications are Cook, Senior Cook, Food Service Supervisor, and Food Service Manager.

### **Transition**

The County Executive Office convened a working group from the Sheriff's Office, Probation, Administrative Services, Human Resources, County Counsel and the Department of Public Works and Facilities (DPWF) to oversee the RFP process, develop recommendations, and facilitate the service transition. The working group recommends, and the County Executive Office supports, the Director of DPWF assume contract administrator responsibility. The addition of a .5 FTE to fill this role has been included in the contract cost model. During this transition, there will be no interruption to daily meal services.

### **FISCAL IMPACT**

The FY 2016-17 Final Budget for the County Probation Food Services program is \$4,276,995. Year one costs of an outsourced food services model total \$3,654,954 including the Aramark contract cost of \$2,447,815 and estimated remaining County costs of \$1,187,139. The five-year cost estimate for the existing Probation Food Services program totals \$22,184,441. Approval of the five year Aramark contract in an amount not to exceed \$13.0 million, plus five year remaining County costs estimated to be \$6.1 million totals \$19,153,520, for an estimated cost savings of \$3,030,920 over the term of the contract.

### **ATTACHMENTS**

Attachment A – Resolution  
Contract on file with Clerk of the Board.

# Before the Board of Supervisors County of Placer, State of California

**In the matter of:**

A resolution directing and approving the layoff of Food Service employees based on necessity due to a lack of work, pursuant to Chapter 3 section 3.08.1090 of the Placer County Code

Resolution No.: \_\_\_\_\_

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held November 8, 2016, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chair, Board of Supervisors

Attest:

\_\_\_\_\_  
Clerk of said Board

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WHEREAS, Placer County Code Chapter 3, section 3.08.1090 provides that layoffs shall be made solely under the direction of the Board of Supervisors, and with Board approval, the county executive officer may direct the department's appointing authority to lay off employees for necessity, based on lack of funds or work;

WHEREAS, Placer County maintains three Correctional Detention Facilities, one Juvenile Detention Facility, staff dining and educational environment which require food service, and food service policies and procedures require all inmates and juveniles to be provided nutritionally adequate meals each day, in compliance with Title 15 of the California Code of Regulations;

WHEREAS for many years the Probation Department has managed the food services programs for the County in partnership with the affected County departments;

WHEREAS, in order to evaluate alternative service delivery methods that increase efficiency, quality, and overall cost savings, the County issued a Request for Proposal No. 10533 to be the sole provider and coordinator of the Correctional Food Services program operating at the food services kitchen in the South Placer Jail facility;

WHEREAS, an evaluation panel consisting of representatives from the County Executive Office, Probation Department, Department of Public Works & Facilities and the Sheriff's Office determined that Aramark Corporation was the top-ranked firm;

WHEREAS, Placer County approves the award of the Request for Proposal to Aramark Corporation and is entering into an agreement with Aramark Correctional Services, LLC, to be the sole provider and coordinator of the Correctional Food Services Program operating from the Food Services Kitchen in the South Placer Jail;

THEREFORE BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, as follows:

The Board directs and approves the layoff of County employees in the following classifications for necessity due to a lack of work:

Cook – nine employees  
Senior Cook – one employee  
Food Service Supervisor – one employee  
Food Service Manager – one employee

BE IT FURTHER RESOLVED AND ORDERED, the Board delegates to the County Executive Officer the authority under the County Code section 3.08.1090 to determine the timing of layoff. The layoff shall be conducted in accordance with the County Code sections 3.08.1090 through 3.08.1120.

