



DATE: March 10, 2023
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser
SUBJECT: Resolution to approve second amendment to Term Contract 79501 Fresh and Frozen Produce for Zuckerberg San Francisco General Hospital and Laguna Honda Hospital with Bay Cities Produce Co, Inc.

Enclosed is the resolution authorizing a second amendment to Term Contract 79501 (PeopleSoft Contract ID 1000015904) with Bay Cities Produce Co, Inc., increasing the contract amount by \$6,049,853.57 for a total not to-exceed (“NTE”) amount of \$12,067,569.00 and to extend the term by two (2) years to September 30, 2026.

This contract was awarded pursuant to a solicitation (Sourcing Event 0000002574) conducted on July 18, 2019 by the Office of Contract Administration (OCA). The solicitation resulted in the award to Bay Cities Produce Co, Inc. as the highest ranked responsive proposer, with an initial contract NTE amount of \$4,017,715.43 and duration of three years, from October 1, 2019 to September 30, 2022. The initial contract NTE amount was based on the awarded bidder’s bid sheet which, in turn, was based on the City’s then estimated usage for 3 years.

The pricing structure for this contract is based on a percent mark up over cost. This pricing structure ensures the prices are fair and competitive based on market conditions. Additionally, the contract requires that suppliers comply with the principles and practices of the DPH Good Food Purchasing Program (GFPP) which, include among other things, to:

- 1) Source goods from locally owned suppliers.
- 2) Proof of registration and certifications of compliance regarding food safety.
- 3) Proof of compliance with requirements for risk-based preventative controls.
- 4) Plans for ordering, inventory, recall, disaster contingency, and reporting.

On April 20, 2022, OCA executed Amendment 1 whereby the contract’s NTE was increased to \$6,017,715.43 and its duration was extended to September 30, 2024 based on the following usage data and estimated spend rounded to the nearest million:

Estimated Need Based on Data Available as of March 2022 (Based on Annual Avg 2020-22)	
Avg Monthly Spend to Date	44,587
Total Remaining Months Until Contract End Date of September 30, 2024	30
Total Needed for Remaining Months	1,337,610
Contract Balance in PeopleSoft	(920,420)
Total Additional Funds Needed through Contract End Date	2,258,030
Actual Additional Funds Added	2,000,000
Current NTE	4,017,715
Revised NTE + Total Additional Funds Needed through Contract End Date	6,017,715



At this time, OCA seeks to execute Amendment 2 whereby the contract’s NTE will be increased to \$12,067,569.00 and its duration extended to September 30, 2026. The increase in NTE is based on the following usage data and estimated spend. For Amendment 2, OCA requests an additional contingency of 15%.

Estimated Need Based on Data Available as of February 2023 (Based on Annual Avg 2020-23)	
Avg Monthly Spend to Date	\$ 102,878
Total Remaining Months Until Contract End Date of September 30, 2026	\$ 54
Total Needed for Remaining Months	\$ 5,555,402
Contract Balance in PeopleSoft	\$ 1,079,579
Total Additional Funds Needed through Contract End Date	\$ 4,475,823
Current NTE	\$ 6,017,715
Revised NTE + Total Additional Funds Needed through Contract End Date	\$ 10,493,538
Revised NTE + 15% Cotingency	\$ 12,067,569

This contract is critical as part of maintaining the Department of Public Health’s ability to provide fresh and frozen produce to all of its patients, including its residents at Laguna Honda. Approval of this resolution will allow DPH to continue procuring essential produce to feed the residents with items sourced from locally owned suppliers and in accordance with the principles and practices of the DPH Good Food Purchasing Program (GFPP).

If you have any questions or require additional information, please contact Russ Dubkin on my team at (628) 652-1619.

Enclosures:

1. TC79501 Frozen Produce RFP 7-18-19
2. TC79501 Frozen Produce Proposal Evaluation
3. TC79501 Frozen Produce Award and Initial Contract
4. TC79501 Frozen Produce Mod 1 Bay Cities
5. TC79501 Frozen Produce Mod 2 Draft
6. TC79501 Frozen Produce Mod 2 Calculating NTE
7. TC79501 Frozen Produce Mod 2 Resolution
8. TC79501 Frozen Produce Form 126f4