



**San Francisco Office of the City Administrator
City Administrator Carmen Chu**

Fresh and Frozen Produce for DPH ZSFGH and LHH Contract (TC 79501)

File 23-0337

Office of Contract Administration

Board of Supervisors' Budget and Finance Committee
April 19, 2023

Contract Summary

- **Covered Goods:** Catalog of Fresh and Frozen produce.
- **Purpose:** Provide fresh and frozen produce to the Department of Public Health's patients, including its residents at Laguna Honda.
- **Contractor:** Awarded to Bay Cities Produce Co, Inc. through a an Invitation for Bids by the Office of Contract Administration (OCA) in October 2019.
- **Primary User Department:** DPH with a usage of \$4,938,135 since contract inception.
- **Initial contract NTE:** \$4,017,715.43 for the period of October 1, 2019 to September 30, 2022.
- **Amendment 1:** Increased NTE to \$6,017,715 and extended contract by 2 years through September 30, 2024.

Amendment 2

- Increases NTE to \$11,100,000 and extends contract for an additional 2 years through September 30, 2026
 - The original draft resolution proposed an increased NTE amount of \$12,067,569, but was revised per recommendation of the Budget and Legislative Analyst.
- Calculations based on City's actual usage rate as of February 2023, plus a 15% contingency to account for fluctuations in pricing.

Estimated Need Based on Data Available as of February 2023 (Based on Data from 9/1/12 to 12/31/2022)	
Total Spend	\$ 4,938,136
Avg Monthly Spend	\$ 121,729
Total Remaining Months Until Contract End Date of 9/30/26	44
Total Needed for Remaining Months	\$ 5,356,071
Less Available Contract Balance in PeopleSoft	\$ (1,079,579)
+ Contingency (15%)	\$ 803,411
Total Additional Funds Needed through Contract End Date	\$ 5,079,903
Current NTE	\$ 6,017,715
Revised NTE	\$ 11,097,618
Revised NTE (Rounded to nearest 100,000)	\$ 11,100,000

Proposed Action

Based on actual, as well as projected expenditures, request approval of the resolution to amend contract allowing for:

- Increase to the NTE by \$5,082,284.57, for a total not-to-exceed amount of \$11,100,000.
- Extension of the agreement by two years, to September 30, 2026.

Thank You