CA096782

SHELBY COUNTY BOARD OF COMMISSIONERS
AGENDA ROUTE SHEET

Referred to Commission Committee (name) _____

For Commission Action on (date) 7/21/08

DESCRIPTION OF ITEM:
RESOLUTION APPROVING CONTRACT WITH ARAMARK CORRECTIONAL SERVICES, LLC IN THE AMOUNT NOT TO EXCEED $4,150,000.00 FOR THE MANAGEMENT AND PROVISION OF FOOD SERVICES FOR THE DIVISION OF CORRECTIONS AND AMENDING THE FY09 CORRECTIONS FUND BUDGET. THIS ITEM REQUIRES EXPENDITURE OF CORRECTIONS FUNDS IN THE AMOUNT OF $4,150,000.00. SPONSORED BY COMMISSIONER SIDNEY CHISM.

CHECK ALL THAT APPLY BELOW:

_____ This Action does NOT require expenditure of funds.

___X___ This Item requires/approves expenditure of funds as follows (complete all that apply):

County General Funds: $_____ ; County CIP Funds- $_____

State Grant Funds: $_____; State Gas Tax Funds: $_____

Federal Grant Funds: $_____

Other funds (Specify source and amount): Corrections Fund $ 4,150,000.00

Other pass-thru funds (Specify source and amount): $ _____

Originating Department: Division of Corrections
APPROVAL:

Dept. Head:	John Trusty 377-4501 (Type your name & phone #.)	JT (Initials)	7/9/08 (Date)
Division Director:	Andrew Taber 377-4502 (Type your name & phone #.)	AT (Initials)	7-9-08 (Date)
Finance Dept.	Mike Swift 545-4269 (Type your name & phone #.)	MAS (Initials)	7/10/08 (Date)
County Attorney:	Kathy Kirk-Johnson 545-4263 (Type your name & phone #.)	KKJ (Initials)	7/9/08 (Date)
CAO/Mayor:	**James F. Huntzicker 545-4514** (Type your name & phone #.)	JFH (Initials)	7/10/08 (Date)

SUMMARY SHEET

I. Description of Item

Resolution authorizes the Shelby County Division of Corrections to contract with ARAMARK Correctional Services, LLC for the management and provision of food services for the Division of Corrections. This is a change from operating food service with county employees. ARAMARK has been provided this service for the Jail since 2002. It is necessary to amend the Corrections Fund budget and position control budget for this change in the method of doing business.

The county issued an RFP for the Jail on March 3, 2008 and an addendum was issued on March 25, 2008 to include the Division of Corrections as a result of discussion during a Law Enforcement Committee meeting of the County Commission. The RFP required vendors to propose a menu that met portion sizes as well as equivalent nutritional and caloric values currently served at the Division of Corrections. ARAMARK was the only respondent and their proposed cost was compared to the historical and projected costs of the Division's food service operation. The Division's unit food costs have been rising this spring and recent food bids for FY09 reflect 15% to 20% increases over bids from a year ago. This rise in food costs is the basis of the decision to contract with ARAMARK.

ARAMARK's proposal reflects a annualized savings of $600,000 for FY09 compared to the projected costs of internally staffing and operating the food service function. ARAMARK's proposal is within the Division's budget, while internal operations would require an estimated increase in funding of $477,000.00 for FY09. In addition, ARAMARK will provide up to $100,000 in new equipment for the Division's two cooking kitchens and will give the Sheriff a $.03 per meal discount when awarded both facilities.

The County currently has 33 employees assigned to food service operations. The County will work to place these employees in other vacant county positions for which they are qualified and ARAMARK will give first consideration to our current employees in filling their positions.

II. Source and Amount of Funding

A. Amount Expended/Budget Line Item – $4,150,000.00 from 956-350105-6635, Corrections Division-Contracted Food Services. The County will recover at least 75% of these funds through State reimbursement for housing state prisoners.
B. All Costs (Direct/Indirect) – County will continue to be responsible for utilities and maintenance of the building.
C. Additional or Subsequent Obligations or Expenses of Shelby County – Ongoing responsibility for feeding inmates.

III. Contract Items

A. Type of Contract - Contract for management and provision of food services

B. Terms - Initial period from August 21, 2008 to June 30, 2009 with the option to renew for two (2) additional one (1) year periods.

IV. Additional Information Relevant to approval of this item

Administration recommends approval of this Resolution.

ITEM#_____ PREPARED BY John Trusty

COMMISSIONER_____ APPROVED BY K. John

RESOLUTION APPROVING CONTRACT WITH ARAMARK CORRECTIONAL SERVICES, LLC IN THE AMOUNT NOT TO EXCEED $4,150,000.00 FOR THE MANAGEMENT AND PROVISION OF FOOD SERVICES FOR THE DIVISION OF CORRECTIONS AND AMENDING THE FY09 CORRECTIONS FUND BUDGET. THIS ITEM REQUIRES EXPENDITURE OF CORRECTIONS FUNDS IN THE AMOUNT OF $4,150,000.00. SPONSORED BY COMMISSIONER SIDNEY CHISM.

WHEREAS, The Shelby County Division of Corrections is responsible for an average daily population of 3,100 inmates on a regular basis; and

WHEREAS, The Shelby County Division of Corrections must feed these inmates three (3) meals a day which meet both nutritional standards and satisfy their hunger since food related issues are the number one cause of inmate disturbances in prisons; and

WHEREAS, A significant number of the inmates housed at the Shelby County Division of Corrections have various work assignments ranging from Work Release and Road Department Work Lines to assisting in building and grounds maintenance for the Division, and therefore have different meal needs than sedentary detainees like those housed in the Jail at 201 Poplar; and

WHEREAS, The Division of Corrections operates with minimum custody staffing for the number of prisoners housed and must also feed its staff since they cannot be allowed to leave the facility during their shift; and

WHEREAS, Request for Proposal Bid Number RFP 08-003-57 with addendums was issued with responses due on April 9, 2008, and ARAMARK Correctional Services, LLC was the only response received. ARAMARK's proposal specified a cyclical planned menu, including portion sizes, and was based on a cost per meal served; and

WHEREAS, After a thorough review of ARAMARK's proposal was made and their expected billings projected and compared with the county's internal projected costs for FY09 based on estimated population levels, ARAMARK was chosen as the lowest and best method of providing food service for the Division; and

WHEREAS, The County will work with ARAMARK to place as many of its food service personnel as possible and will also seek to place displaced employees in other positions within county government for which they are qualified; and

WHEREAS, The operating budget and the position control budget for the Corrections Fund will need to be amended to eliminate positions and consolidate budgets into a single account for the contracted services; and

WHEREAS, ARAMARK will need until August 21, 2008 to begin operations after approval of a contract and has proposed guaranteed rates for each of three years based on current population levels; and

WHEREAS, The resulting contract was prepared for the period from August 21, 2008 through June 30, 2009 with the option to renew for two (2) additional one (1) year periods; and

WHEREAS, The contract is prepared pursuant to Shelby County Purchasing Policies and Procedures in the amount not to exceed $4,150,000.00 for FY09.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the contract with ARAMARK Correctional Services, LLC in the amount not to exceed $4,150,000.00 for the management and provision of food services for the period August 1, 2008 through June 30, 2009 for the Division of Corrections is hereby approved and funds are appropriated from account no. 956-350105-6635, Contracted Food Services.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute the said contract on behalf of Shelby County Government for the purposes herein contained, an executed copy of which is to be placed on file in the Purchasing Department.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute the annual renewals subject to satisfactory performance by the vendor.

BE IT FURTHER RESOLVED, That the FY08 operating budget and the position control budget for the Corrections Fund are hereby amended as per exhibits A and B, respectively, which are attached to this resolution and incorporated herein by reference, and that funds are hereby appropriated as per the said exhibit.

BE IT FURTHER RESOLVED, That the County Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants in the amount not to exceed $4,150,000.00 for the purposes contained in this resolution and to take proper credit in their accounting therefor.

_____
A C Wharton Jr., County Mayor

Date: _____

Attest:

_____
Clerk of County Commission

ADOPTED_____

Shelby County Division of Corrections

Budget Amendment FY09

Exhibit A

Corrections Fund

Account No.	Description	Current Budget	Changes	Revised Budget
Fund 956 - Org # 350110 Food Services				
5102	Salaries	1,257,978.00	(997,040.00)	260,938.00
5190	Expense Allowance	0.00	16,950.00	16,950.00
5251	Overtime/Holiday Pay	24,000.00	(21,900.00)	2,100.00
5254	Overtime	87,450.00	(67,450.00)	20,000.00
5266	Longevity	1,650.00	(1,650.00)	-
5269	Shift Differential	5,075.00	(4,505.00)	570.00
5510	County Retirement	88,529.00	(69,793.00)	18,736.00
5511	OPEB Retiree Insurance	85,367.00	(67,300.00)	18,067.00
5516	MQFE	19,954.00	(14,457.00)	5,497.00
5520	Group Life	8,554.00	(6,780.00)	1,774.00
5540	Group Health	4,538.00	(4,538.00)	-
5543	CIGNA Insurance	211,898.00	(177,220.00)	34,678.00
5560	Long-Term Disability	20,128.00	(15,953.00)	4,175.00
5591	OJI	19,499.00	(15,454.00)	4,045.00
5592	Unemployment	4,139.00	(3,280.00)	859.00
5635	Lapse Time Restriction	-105,771.00	105,771.00	-
6006	Apparel - Employees	12,000.00	(12,000.00)	-
6014	Custodial Supplies	30,000.00	(25,000.00)	5,000.00
6780	Maint Equipment	50,000.00	(43,697.00)	6,303.00
7004	Production Equipment	13,000.00	-	13,000.00
	Total Expenditures	1,837,988	(1,425,296.00)	412,692.00
Fund 956 - Org # 350105 General Services - Selected Accounts				
5102	Salaries	429,391.00	(45,831.00)	383,560.00
5510	County Retirement	30,057.00	(3,208.00)	26,849.00
5511	OPEB Retiree Insurance	28,984.00	(3,094.00)	25,890.00
5516	MQFE	6,602.00	(665.00)	5,937.00
5520	Group Life	2,920.00	(312.00)	2,608.00
5560	Long-Term Disability	6,870.00	(733.00)	6,137.00
5591	OJI	6,656.00	(710.00)	5,946.00
5592	Unemployment	1,413.00	(151.00)	1,262.00
6028	Food Purchases	2,900,000.00	(2,500,000.00)	400,000.00
6038	Kitchen & Dining Supplies	200,000.00	(170,000.00)	30,000.00
6635	Contracted Food Services	0.00	4,150,000.00	4,150,000.00
			1,425,296.00	
Combined Budget			-	

Exhibit B
Corrections Fund
Fund 956

Shelby County Division of Corrections
Position Control Budget Amendment FY09

Position No.	Position Description	Cost Center	Current Budget	Changes	Revised Budget
910180	MANAGER A	C0110	66,000.00	(66,000)	-
910182	SUPERVISOR A	C0110	49,446.00	(36,265)	13,181
960050	BUTCHER	C0110	40,515.00	(40,515)	-
880157	FOREMAN A	C0110	38,854.00	(27,280)	11,574
900131	SUPERVISOR C	C0110	37,951.00	(29,393)	8,558
910183	SUPERVISOR C	C0110	37,951.00	(27,441)	10,510
910184	SUPERVISOR C	C0110	37,951.00	(30,052)	7,899
862086	FOREMAN B	C0110	35,404.00	(26,697)	8,707
900132	FOREMAN B	C0110	35,404.00	(24,413)	10,991
910187	FOREMAN B	C0110	35,404.00	(25,981)	9,423
910189	FOREMAN B	C0110	35,404.00	(23,700)	11,704
860111	COOK	C0110	32,570.00	(25,252)	7,318
860596	COOK	C0110	32,562.00	(26,615)	5,947
860812	COOK	C0110	32,570.00	(25,074)	7,496
863096	COOK	C0110	32,570.00	(25,727)	6,843
880160	COOK	C0110	32,570.00	(23,349)	9,221
880161	COOK	C0110	32,570.00	(22,914)	9,656
890007	COOK	C0110	32,570.00	(27,148)	5,422
890008	COOK	C0110	32,570.00	(24,696)	7,874
891421	COOK	C0110	32,570.00	(26,767)	5,803
891422	COOK	C0110	32,570.00	(25,277)	7,293
891423	COOK	C0110	32,570.00	(23,758)	8,812
900137	COOK	C0110	32,570.00	(24,302)	8,268
900139	COOK	C0110	32,570.00	(26,950)	5,620
900140	COOK	C0110	32,570.00	(26,647)	5,923
900142	COOK	C0110	32,570.00	(25,932)	6,638
910194	COOK	C0110	32,570.00	(27,366)	5,204
910195	COOK	C0110	32,570.00	(23,529)	9,041
910196	COOK	C0110	32,570.00	(32,570)	-
910197	COOK	C0110	32,570.00	(23,487)	9,083
910198	COOK	C0110	32,570.00	(24,933)	7,637
910199	COOK	C0110	32,570.00	(27,573)	4,997
910200	COOK	C0110	32,570.00	(26,667)	5,903
960051	COOK	C0110	32,562.00	(26,750)	5,812
960052	COOK	C0110	32,570.00	(23,147)	9,423
920208	STOCKROOM WORKER	C0110	26,030.00	(22,873)	3,157
	Total for Cost Center	C0110	1,257,978.00	(997,040.00)	260,938.00
960048	Purchasing Specialist	C0105	45,831.00	(45,831.00)	-
	Total Selected Salaries		1,303,809.00	(1,042,871.00)	260,938.00

ARAMARK

30 June 2008

Via Federal Express

Soheila Kail
Business Manager
Shelby County Sheriff's office
201 Poplar Avenue
Memphis, TN 38103

Re: Gratuity Disclosure Form (Food Contract) between Shelby County Government and ARAMARK Correctional Services, LLC..

Ms. Kail:

Attached please find an original Gratuity Disclosure Form which has been signed on behalf of ARAMARK Correctional Services.

Also, so that any future correspondence can be addressed in a timely manner, please have your records changed to reflect our correct address:

ARAMARK Correctional Services, LLC
ARAMARK Tower
1101 Market Street, 29th flr
Philadelphia, PA 19107

Should you have any questions/concerns please ring me on 215.238.3270.

Sincerely,

RonicaAlexzandra Mangini
Contract Administrator

Attachment

1101 Market Street, 29th Flr.
Philadelphia, PA 19107-2988
Writer's Direct Dial 215-238-3270
Facsimile 215-238-3282
Mangini-ronica@aramark.com

GRATUITY DISCLOSURE FORM

Shelby County Ethics Commission

INSTRUCTIONS: *This form is for all persons receiving any Shelby County Government contract, land use approval or financial grant money to report any gratuity that has been given, directly or indirectly, to any elected official, employee or appointee (including their spouses and immediate family members) who is involved in the decision regarding the contract, land use approval, or financial grant of money.*

1. **NAME**

   ARAMARK COrrectional Services, LLC

2. **DATE OF GRATUITY**

   N/A

3. **NATURE AND PURPOSE OF THE GRATUITY**

   N/A

4. **NAME OF THE OFFICIAL, EMPLOYEE, APPOINTEE, OR FAMILY MEMBER WHO RECEIVED THE GRATUITY**

   N/A

5. **NAME OF THE PERSON OR ENTITY THAT PROVIDED THE GRATUITY**

   N/A

6. **ADDRESS OF THE PERSON OR ENTITY THAT PROVIDED THE GRATUITY**

   N/A

7. **DESCRIPTION OF THE GRATUITY**

N/A

8. **COST OF THE GRATUITY (If cost is unknown and not reasonably discernible by the person giving the gratuity, then the person giving the gratuity shall report a good faith estimate of the cost of the gratuity.)**

N/A

9. **The information contained in this Gratuity Disclosure Form, and any supporting documentation or materials referenced herein or submitted herewith, is true and correct to the best of my knowledge, information and belief and affirm that I have not given, directly or indirectly, any gratuity to any elected official, employee or appointee (including spouse and immediate family members) that has not been disclosed and I affirm that I have not violated the provisions of the Shelby County Government Code of Ethics.**

Signature

6/29/08
Date

ARAMARK Correctional Services LLC

David Kimmel, Vice President, Finance
Print Name

A copy of your completed form will be placed on the Shelby County Internet website.

OPERATING AGREEMENT - FOOD SERVICE

This **OPERATING AGREEMENT** (the "Agreement") is made as of July _____, 2008 (the "Effective Date") by and between the **Shelby County Government**, with offices at 160 North Main Street, Room 550, Memphis, Tennessee 38103 (the "County"), and **ARAMARK Correctional Services, LLC**, a Delaware limited liability company, having a place of business at the ARAMARK Tower, 1101 Market Street, Philadelphia, Pennsylvania 19107 ("ARAMARK").

WITNESSETH:

WHEREAS, the County has the need for professional services to provide management and the provision of food services for the Shelby County Department of Corrections; and

WHEREAS, the County issued a Request for Proposals ("RFP") Number 08-003-57 for Jail Food Services on March 3, 2008 and issued RFP Addendum 2 on March 28, 2008 to include Corrections Food Services and ARAMARK responded to said RFP on April 9, 2008; and

WHEREAS, ARAMARK has the knowledge and expertise to provide such services; and

WHEREAS, the parties are desirous of entering into a contract setting forth the terms and conditions under which ARAMARK will provide said services.

NOW THEREFORE, for and in consideration of mutual promises and covenants herein contained, the parties hereto agree as follows:

1. **GRANT:** The County hereby grants to ARAMARK the exclusive right to provide food service (excluding vending machine, commissary operations and special events) for the County's inmates, staff and visitors at the Shelby County Division of Corrections complex located at 1045 Mullins Station Road, Memphis, TN 38134 and the Adult Offenders Center ("AOC"), 961 Sycamore View Road, Memphis, TN 38134 (the "Facility"). ARAMARK shall provide the services as outlined herein, and as outlined within the COUNTY'S RFP Number 08-003-57 as Attachment "B", and ARAMARK's response thereto which is attached hereto as Attachment "C". All Attachments shall be incorporated into this Agreement by reference as if fully stated verbatim herein (the "Services"). ARAMARK further agrees to furnish nutritious, wholesome, and palatable food to such inmates, staff and visitors in accordance with this Agreement. The food service shall meet all current standards as established by:

A. The American Correctional Association.

B. The Food and Nutritional Board of the National Academy Science as prescribed for inmates.

C. The State of Tennessee.