



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
December 20, 2022

TOPIC: Second Amendment to the Agreement with Aramark Correctional Services, LLC

AGENDA TITLE:

Approve Second Amendment to the Agreement with Aramark Correctional Services, LLC
(General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute the second amendment to the agreement with Aramark Correctional Services, LLC to provide inmate food service and commissary management in an additional amount of \$896,152, including a 12.40-percent Consumer Price Index increase adjustment, for a total aggregate amount not to exceed \$4,478,718 for the agreement term ending on June 30, 2023, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

On October 20, 2020, the City Council approved a three-year agreement with Aramark Correctional Services, LLC ("Aramark") after a competitive Request for Proposal process to provide inmate food service and commissary management at the Santa Ana Jail. Aramark Correctional Services, LLC has been the provider of inmate food services since 1997 and continues to perform these services professionally and competently. All meals are prepared based on the State of California Title 15 nutritional requirements and all Orange County Health Department health and safety requirements. Through this agreement, Aramark also provides catering services for various City functions and operates the inmate commissary program and Code-7 cafeteria located inside the Police Department.

The agreement provides annual adjustments to the per-meal price based on the Consumer Price Index (CPI) effective July 1 of each contract year. On December 7, 2021, Council approved the first amendment to this agreement to include a 3.88-percent CPI increase. Due to the unprecedented and unforeseeable current economic circumstances, food industries have experienced substantial increases in supply costs. These conditions have driven the prices of food products well above the CPI cap of the current agreement. Staff calculated the relevant food product weighted CPI at 13.16 percent, and worked with

the vendor to arrive at a reasonable and equitable final increase of 12.40 percent. Therefore, staff recommends approving a per-meal price increase of 12.40 percent, from \$2.59 to \$2.92, for average daily populations above 400. This pricing will apply to meals billed after July 1, 2022 through the remainder of the third year of the agreement. This 12.40-percent per-meal increase will add \$173,558 to the third year of the agreement.

The agreement established a not-to-exceed amount based on a projected average daily population of 400 persons. However, the Santa Ana Jail has regularly exceeded this number and served significantly more meals than was initially anticipated. Therefore, factoring funds currently remaining within the agreement's terms and a revised projection for average daily population through the remainder of Fiscal Year 2022-23, the Police Department projects that an additional \$682,594 and a \$40,000 contingency is needed to ensure the availability of funds to purchase inmate meals through June 30, 2023.

As a result, the total three-year agreement not-to-exceed amount will increase from \$3,582,566 to \$4,478,718. The agreement may be terminated without cause by either party upon 120 days' written notice. Aramark has been accommodating, professional and consistent in its provision of services, and staff recommends approval of the agreement amendment.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

Funds for this amendment are available as follows:

Fiscal Year	Accounting Unit – Account No.	Fund Description	Accounting Unit – Account No. Description	Amount
FY 22-23	01114475-62300	General Fund	Jail Operations, Contract Services	\$866,552
FY 22-23	02314475-62300	Inmate Welfare Fund	Inmate Welfare Fund, Contract Services	\$ 29,600
Total				\$896,152

The amounts above are estimated projections and are subject to change.

EXHIBIT(S)

1. Second Amendment to Agreement

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Submitted By: David Valentin, Police Chief

Approved By: Kristine Ridge, City Manager