

**DETERMINATION AND FINDINGS FOR A
SOLE SOURCE PROCUREMENT
BRIDGE CONTRACT**

AGENCY: District of Columbia Public Schools, Office of the Chief Operating Officer,
Food and Nutrition Services (FNS)

CAPTION: Food Services Management Company

CONTRACT NO.: GAGA-2016-C-0036A-1

CONTRACTOR: SodexoMagic LLC

FINDINGS

1. AUTHORIZATION:

The FSMC contracts are funded with both Local and Federal funds, hence contractual actions must be compliant with Federal, DC, and DCPS laws and regulations. Federal Acquisition Regulations (FAR), DC and DCPS (27 DCMR) are as listed below:

No	Section No	Description
01	DC Official Code §2-354.04	Sole Source Procurement
02	27 DCMR 1304	Notice of Intent to Award A Sole Source Contract
03	27 DCMR 1701	Sole Source Procurement Posting Requirements
04	27 DCMR 2005 2(b)	Use of Options
05	Section 404 of the Procurement Practices Reform Act of 2010	Sole source procurements.
06	FAR 2.101	Definitions
07	FAR 3.104	Procurement Integrity
08	7 CFR 210	Food Services Management Companies
09	7 CFR 225	Summer Food Service Program
10	(P.L. 116-127), Section 2202(a)	Families First Coronavirus Response Act

2. MINIMUM NEED:

DCPS must continue satisfying the requirements of the USDA school meals program. DCPS is responsible for providing breakfast, lunch, supper, and snack meals for over 52,000 enrolled students each day. The meals align with federal and district nutritional standards to ensure that students are fueled for learning and are prepared for the rigors of the academic day. The continuity of services is critical for DCPS to properly and holistically function as students endure long days of learning, while they prepare for academic and life-long wellness and success.

3. ESTIMATED REASONABLE PRICE:

The anticipated cost of the Sodexo Contract for date range July 1, 2022 – June 30, 2023, is \$40,071,921.15.

4. BACKGROUND AND HISTORY TO JUSTIFY SOLE SOURCE AWARD--EXTENSION:

DCPS FNS school meals program currently extends to over 52,000 students in more than 110 schools. The meal program is operated in conjunction with two main Food Service Management Companies under two requirements contracts, SodexoMAGIC (GAGA-2016-C-0036A-1) and DC Central Kitchen (GAGA-2016-C-0036A-2). The two contracts were awarded in 2016 using full and open competition.

The contract term is scheduled to end on June 30, 2022. However, the COVID-19 crisis has created numerous complications in planning for and executing a new procurement. A new, long-term procurement during and actively following the COVID-19 crisis was/is impractical for the District. The barriers of executing an effective procurement during this time of crisis include, but are not limited to, concerns with acquiring materials and at reasonable pricing, the instability of the labor market needed for the 10 million meals prepared annually, and specialization of the work in the community beyond school meals. More importantly, it could threaten the continuity of services provided daily for thousands of children across the city. While a solicitation for a Base-Plus-Four-Option-Years was prepared going into 2020, the USDA waiver release for Food Service Management Contract extensions coupled with communication from qualified food service providers about the inability to satisfy any requirements during the unprecedented crisis led to the pursuit of an extension opportunity as available by USDA.

Planning for a strong procurement of this size requires approximately one year, which began on schedule prior to 2020. Unfortunately, the concerns presented by the COVID-19 crisis that are represented above have not changed since that time. DCPS had constructed a Request for Proposal (RFP) as expected during this time and was prepared to release it. However, as school calendars were modified, and in-person services were suspended due to the crisis – it drastically changed the environment to which bidders would be responding. While the vehicle for executing the contract was ready for dissemination, the factors that DCPS relies on for this procurement, marketplace, the USDA, and DC government, all remain focused on the COVID-19 recovery due to the massive humanitarian needs resulting from the crisis. DCPS' request for services is fully prepared for a traditional school year. However, a proper response to the RFP is reliant upon a stable marketplace, predictable labor, and a pool of qualified providers that are able to perform a proper market analysis, proforma performance expectations, and provide a long-term value proposition that is advantageous to the District and the bidders. The conditions of the market are not allowing for any of these factors, and the marketplace for this procurement remains hampered by the crisis recovery. Therefore, it is in the District's best interest to extend the services of the existing providers as allowed by the USDA.

Diligently continue working on awarding new Food Services Management Company (FSMC) contracts, DCPS, FNS, and OCA constructed a Request for Proposal (RFP) Number GAGA-2022-R-0053 and posted on DCPS website on March 16, 2022. DCPS received five timely proposals but due to extreme time constraints the award cannot be made for the contractors to start July 1, 2022.

The current contract expires June 30, 2022, and new contract period of performance shall start July 1, 2022. With the value of these contract being over \$1 million and requires the City Council approval prior to award, DCPS will not be able to implement a new contract, though it is still required to serve DCPS' 50,000 plus students.

Most importantly, if these FSMC contractors do not start performing the services starting July 1, 2022, tens of thousands of DCPS students will go without their primary source of nutrition, critically risking the health and wellbeing of DC's youth.

5 CERTIFICATIONS BY DCPS PROGRAM:

I hereby certify that the above findings are true, correct, and complete, and the anticipated cost to DCPS is fair and reasonable.

June 17, 2022

Date



Executive Director, Food and Nutrition Services

DETERMINATION

Based on the above certified findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive bidding process under Section 27 DCMR 1304, 1701, 2100.

Date

Contracting Officer

Attachment: USDA 2022 waiver.