

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: June 13, 2023 Consent Regular
 Ordinance Public Hearing

Department
 Submitted By: Community Services
 Submitted For: Administration

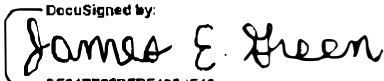
I. EXECUTIVE BRIEF


Motion and Title: Staff recommends motion to approve: Amendment No. 1 to Subrecipient Agreement with United Way of Palm Beach County, Inc. (UWPBC) (R2022-0460), for the period April 1, 2022 through September 30, 2026, to increase the overall total agreement amount by \$1,200,000, for a new not-to-exceed amount of \$5,729,858, to provide funding assistance for the expansion of hunger relief system in order to increase food bank storage and food processing capacity.

Summary: The cost of construction is significantly higher than previously estimated. Amendment No. 1 increases the overall total contract amount due to increased construction and equipment costs. Funding for the project will continue to be a collaboration, with the County contributing \$5,729,858, UWPBC contributing \$3,068,624, and the remaining \$1,934,824 to be secured by the Palm Beach County Food Bank, Inc. (PBCFB). To date, there has been significant progress with the project. The warehouse space for the build out was secured with a 20-year lease. All architectural designs have been completed and approved. PBCFB received the demolition permits and subcontractors have been selected by the General Contractor. The kitchen equipment and appliances were secured with a deposit to lock in current prices. The capacity expansion and enhancements will include space to process fresh produce, a commercial teaching kitchen for job training programming, year-round childhood feeding programs, nutrition education classes, and fundraising events with local chefs. Some of the economic opportunities include a community hub for personal and career development, the anticipation of up twelve full-time positions, and opportunity for workforce training. The funds generated for this project will sustain the support of additional full-time positions, enhance operations by increasing fleet capacity and improve the quality of meals being served. **These are County ARPA Response Replacement funds that do not require a local match.** (Administration) Countywide (HH)

Background and Policy Issues: The UWPBC MacKenzie Scott Strategic Plan outlines three (3) strategies for Hunger Relief. Strategy 2 is focused on expanding hunger relief system capacity. Tactic 2, specifically, is to enhance commercial kitchen capacity to increase the volume of nutritious food available through the hunger relief system in Palm Beach County. To advance Strategy 2, UWPBC is proposing a phased approach to increase the capacity of the food bank system in Palm Beach County overall, which will include the buildout of a commercial kitchen and processing facility. The partner agencies and programs serve more than 100,000 Palm Beach County residents each month. Expanding additional warehouse, with loading docks and an efficient layout to properly allow for both incoming and outgoing product will allow UWPBC to serve current partners more effectively.

Attachments: Amendment No. 1

Recommended By:  James E. Green 5/26/2023
 Department Director Date

Approved By:  Pal 6/6/23
 Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:


Fiscal Years	2023	2024	2025	2026	2027
Capital Expenditures					
Operating Costs	0	600,000	600,000		
External Revenue					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT		600,000	600,000		

No. ADDITIONAL FTE POSITIONS (Cumulative)					
---	--	--	--	--	--

Is Item Included In Current Budget? Yes X No
 Does this item include the use of federal funds? Yes No X

Budget Account No.:
 Fund 1164 Dept 140 Unit 201A Object 8201 Program Code _____ Program Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:
 ARPA Revenue Replacement

C. Departmental Fiscal Review: 
 Julie Dowe, Director of Finance and Support Services

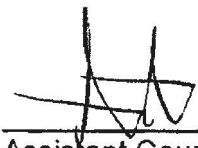
III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 5/26/2023
 OFMB MG 5/26

 6/21/23
 Contract Development and Control

B. Legal Sufficiency:

 6/5/23
 Assistant County Attorney

C. Other Department Review:

 Department Director

This summary is not to be used as a basis for payment.

FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT

THIS FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT FOR LOCAL RECOVERY ASSISTANCE IN RESPONSE TO THE COVID-19 PANDEMIC (R2022-0460) is made as of _____ day of _____, 20__, by and between Palm Beach County, a Political Subdivision of the State of Florida, by and through its Board of Commissioners, hereinafter referred to as the COUNTY, and **United Way of Palm Beach County, Inc.**, hereinafter referred to as the AGENCY, a not-for-profit corporation authorized to do business in the State of Florida, whose Federal Tax I.D. is **59-0683258**.

In consideration of the mutual promises contained herein, the COUNTY and the AGENCY agree as follows

WHEREAS, the above named parties entered into Subrecipient Agreement (R2022-0460) on May 3, 2022 (the Agreement) to provide services for Hunger Relief efforts; and

WHEREAS, the need exists to amend the Agreement in order to increase total funding from \$4,529,858 to \$5,729,858 by updating **ARTICLE 5 – PAYMENTS TO AGENCY**, and replacing **EXHIBIT A – MACKENZIE SCOTT HUNGER RELIEF STRATEGY SCOPE OF WORK**, and **EXHIBIT B – PAYMENT SCHEDULE** with **EXHIBIT A-I – MACKENZIE SCOTT HUNGER RELIEF STRATEGY SCOPE OF WORK**, and **EXHIBIT B-I – PAYMENT SCHEDULE**.

NOW, THEREFORE, the above named parties hereby mutually agree that the Agreement entered into on May 3, 2022 is hereby amended as follows:

- I. The foregoing recitals are true and correct and incorporated herein by reference.
- II. **EXHIBIT A-I** attached hereto and incorporated herein by reference, shall replace **EXHIBIT A** to the Agreement in its entirety.
- III. **EXHIBIT B-I** attached hereto and incorporated herein by reference, shall replace **EXHIBIT B** to the Agreement in its entirety.
- IV. The first three paragraphs of **ARTICLE 5- PAYMENTS TO AGENCY** are replaced with the following:

ARTICLE 5 – PAYMENTS TO AGENCY

The total amount to be paid by the COUNTY under this Agreement for all services and materials shall not exceed a total Agreement amount of **FIVE MILLION SEVEN HUNDRED TWENTY- NINE THOUSAND EIGHT HUNDRED FIFTY- EIGHT DOLLARS (\$5,729,858)**.

The AGENCY will bill the COUNTY at the amounts set forth in **EXHIBIT B-I** for services rendered toward the completion of the Scope of Work. Where incremental billings for partially completed items are permitted, the total billings shall not exceed the estimated percentage of completion as of the billing date.

The program and unit cost definitions for this Agreement year are set forth in **EXHIBIT B-**

I. All requests for payments of this Agreement shall include an original cover memo on AGENCY letterhead signed by the Chief Executive Officer, Chief Financial Officer or their designee.

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida has made and executed this Agreement on behalf of the COUNTY and AGENCY has hereunto set his/her hand the day and year above written.

ATTEST:

Joseph Abruzzo
Clerk of the Circuit Court & Comptroller
Palm Beach County

PALM BEACH COUNTY, FLORIDA, a Political
Subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

BY: _____
Deputy Clerk

BY: _____
Gregg K. Weiss, Mayor

AGENCY:
United Way of Palm Beach County, Inc.

BY: DocuSigned by:
Laurie George
AA22DF2889E54C7...
Authorized Signature

Laurie George, PHD
Agency's Signatory Name
Typed

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS
Community Services Department

DocuSigned by:
Helene C. Hvig
BE3DE20B2223413

Assistant County Attorney

DocuSigned by:
Taruna Malhotra
1459E4101E1D49C

Taruna Malhotra, Assistant Director
Community Services Department

MacKenzie Scott Hunger Relief Strategy
Scope of Work

United Way of Palm Beach County's (UWPBC) MacKenzie Scott Strategic Plan outlines three strategies for Hunger Relief: facilitating cross-system and intra-system collaboration, expanding hunger relief system capacity, and expanding hunger relief pantries capacity. Strategy 2 is focused on expanding hunger relief system capacity and has two tactics. Tactic 2, specifically, is to enhance commercial kitchen capacity to increase the volume of nutritious food available through the hunger relief system in Palm Beach County.

To advance Strategy 2, UWPBC is proposing a phased approach to increase the capacity of the food bank system in Palm Beach County overall, which will include the buildout of a commercial kitchen and food processing facility. The funding of this project will include the use of American Rescue Plan Act (ARPA) funds from Palm Beach County, UWPBC's MacKenzie Scott funds, and other additional funds as necessary through grants, private donations, and/or additional fundraising efforts.

Given the unique nature of the project, UWPBC plans to release a letter of interest to the community, but also reserves the option to sole source the project, in accordance with the procurement rules set forth in 2 CFR 200.320 (c) and shall ensure not conflict of interest exists. Documentation of sole source selection will be provided to the COUNTY. UWPBC will look for food bank organizations that can meet the following minimum criteria:

- Proof of the organization's status as a 501(c)(3) non-profit organization, or tax-exempt equivalent (for example, a school or a church) registered with the State of Florida and operational for at least a year;
- Ability to provide audited financial statements for the past two years;
- Proof of a minimum of 5 million pounds of food distributed in Palm Beach County by the organization for each of the past three years;
- Proof of a viable physical space for purchase or lease that is at least 20,000 square feet;
- Ability to provide a comprehensive budget for each phase of the capacity-building project, including other funding sources beyond ARPA and UWPBC;
- Ability to provide a comprehensive timeline for each phase of the capacity-building project, including how long it will take to become operational;
- A sustainability and revenue plan that shows how the project will become self-sustaining after completion;
- A proposed plan for additional wrap-around services that will be provided through the facility (e.g. nutrition education, job training, social enterprise opportunities, etc.); and
- Active participation in Palm Beach County's Hunger Relief Initiative and work groups over the past two years.

Additional criteria may be established or modified as information becomes available. The awardee(s) will also need to commit to any federal funding requirements and/or ARPA-specific funding requirements. The phased approach to building food bank capacity is outlined below. Budgets and timelines included in this scope of work are based on current best estimates and may not reflect actual expenditures or timelines at time of purchase and/or contract execution. Prices and timelines may change due to inflation, supply chain challenges, and other economic variables.

TASK I: Increase food bank capacity

UWPBC proposes using ARPA funding for TASK I of the capacity-building project. Task I of the project will include the following capacity expansions and enhancements:

- Securing additional warehouse space to expand food bank storage capacity to accommodate current storage limitations and anticipate increased incoming food.
- Building out warehouse space for additional appropriate storage of dry goods.
- Building out warehouse space to have an enhanced Volunteer Center that has more space to accommodate volunteers and staff engaged in sorting and packing food. An enhanced Volunteer Center will not only improve the volunteer experience, it will also provide adequate space for additional programs

such as senior food programs (such as the Commodity Supplement Food Program) that are not being provided currently due in part to space and storage constraints.

- Purchasing equipment to ensure additional space will be fully functional (e.g., forklifts, pallet jacks, large ceiling fans, scales, etc.). Purchases will be in compliance with 2 CFR 200.320
- Building out office space to appropriately house wraparound services that require quiet, private space. This office space would include a family-friendly waiting area and the opportunity to provide weekend hours for appointments.
- Building out office space to potentially rent to other community partners and non-profits. Lower cost space will benefit small community non-profits, help further partnerships and collaborations, and provide an income stream.

TASK II: Build out commercial kitchen and processing facility

UWPBC proposes using a combination of funding for Task II of the capacity-building project. The awardee should secure available funds through federal, state, or local grants (in addition to ARPA funds), private funding, or other means. UWPBC will also provide partial financial support through MacKenzie Scott funding. Task II of the project will include the following capacity expansions and enhancements:

- Building out warehouse space to have a processing facility with capabilities for fresh produce (through freezing, drying, or other means as appropriate).
- Building out warehouse space to have a commercial kitchen with capabilities to produce prepared foods (for example, soups) and individual meals (for example, summer meals for children). The kitchen will also be built with capabilities as a teaching kitchen that can be used for job training programming, nutrition education classes, and fundraising events with local chefs that can provide an income stream.
- Building partnerships with local meal providers and other local non-profits that can provide a stream of funding that will contribute to sustainability of kitchen programs and warehouse operations. Meal providers may include organizations that provide summer meal programs for children, afterschool programs, and senior meal programs. Other non-profits may include organizations that provide job training, nutrition education, and other economic empowerment opportunities.
- Building partnerships with local small business owners and entrepreneurs that own and operate food-related cottage industry businesses who are in need of kitchen space. These businesses could potentially rent the kitchen when not in use, which would benefit small businesses by providing a lower cost space to grow their business and provide an additional income stream.

Palm Beach County Food Bank has been selected by UWPBC as the recipient of the funding. UWPBC will establish a contract with the Palm Beach County Food Bank to complete the following Task I and Task II. Total COUNTY contribution through ARPA funding to complete the Tasks is \$5,729,858. Total contribution from UWPBC to complete the tasks is \$3,068,624. Palm Beach County Food Bank will be responsible for obtaining outside funding for any additional expenses above the total amount received from the combined contribution of the COUNTY and UWPBC above \$8,798,482. UWPBC will be matching \$5,729,858 for Commercial Kitchen and other projects related to Hunger Strategic Initiatives. UWPBC will be providing list of actual spending to County at completion of each task and as part of the contract closeout.

Palm Beach County Food Bank intends to create sustainability within the program. This will be accomplished by providing meals to afterschool programs and summer meal programs for children and providing meals for seniors at congregate feeding sites. The program income is based on reimbursable rates to be received through various partnerships and state programs. The attached sustainability plan outlines the number of meals served coordinated with the amount reimbursed for the individual programs. The income received is offset by the appropriate expenses required to achieve the meal number goals. The Food Bank will efficiently achieve the goals and create a sustainable program within 3 years of its inception.

Payment Schedule

<u>Draw Schedule</u>	<u>Invoice Due</u>	<u>Amount</u>
Payment #1	5/15/2022	\$1,000,000.00
Payment #2	3/15/2023	974,220.00
Payment #3	6/15/2023	974,220.00
Payment #4	12/15/2023	397,345.00
Payment #5	3/15/2023	397,345.00
Payment #6	6/15/2024	397,345.00
Payment #7	9/15/2024	397,345.00
Payment #8	12/15/2024	397,345.00
Payment #9	3/15/2025	397,345.00
Payment #10	6/15/2025	<u>397,348.00</u>
Total Payments		\$5,729,858.00

All payment requests with the exception of start-up funding request must be accompanied by full accounting of project expenses to date, including general ledger and proof of payments. If additional advance payments are needed, it must be requested in writing by AGENCY and submitted to COUNTY for approval. Advance payments must be fully accounted for before requesting future draws. AGENCY may use 10% indirect cost rate for administrative expenses (included in payment schedule).

Payment schedule may change at the discretion of the DEPARTMENT, based on actual expenditure rate or needs of the projects.