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| Title: | CONSIDER APPROVAL OF AMENDED MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF CARSON AND NORMS RESTAURANTS, LLC FOR THE CARSON ESSENTIALS-TO-GO 2.0 PROGRAM (CITY COUNCIL) | | | | |
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Report to Mayor and City Council

Tuesday, June 15, 2021

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDED MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF CARSON AND NORMS RESTAURANTS, LLC FOR THE CARSON ESSENTIALS-TO-GO 2.0 PROGRAM (CITY COUNCIL)

I. SUMMARY

On April 21, 2020, the City Council approved Resolution No. 20-072, amending the Fiscal Year 2019-2020 budget to allocate funds in an amount not to exceed \$150,000 to support the Carson Essentials-To-Go program. This initiative was a collaboration between the City and Norms Restaurant, LLC to provide a variety of subsidized grocery packages for Carson residents. A total of 1,656 packages were delivered through that program. This program has enabled Carson to help minimize food insecurity for its residents, which has been a documented problem in the region. The National Library of Medicine has conducted numerous recent studies highlighting the affects of the pandemic on food insecurity on households with children. Notably, these studies revealed that 21.8% households had food insecurity that exceeded pre-pandemic hunger thresholds. Of those surveyed, monthly income of 80.6% of the households fell below the poverty line and monthly income decreased in more than half of the households during the pandemic. Food insecurity increased 2.5 times when the households comprised workers or self-employed individuals, increased 3 times when the monthly income of the households decreased, and increased 2

times when total monthly income of the household fell below poverty line during the pandemic. In short, the pandemic has exacerbated both poverty and food insecurity issues in many American cities.

On November 17, 2020, the City Council accepted an allocation of CDBG funds in the amount of \$171,000 to be used towards a new program - Carson Essentials-To-Go 2.0 - which provided these same packages to Carson residents who are of a specified age or income. These additional funds exceeded the \$150,000 threshold set forth in the original Memorandum of Understanding (MOU). The City Council is now asked to amend the existing MOU to reflect this additional support.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the amended Memorandum of Understanding between the City of Carson and Norms Restaurant, LLC.
2. AUTHORIZE the Mayor to approve the Memorandum of Understanding, following approval as to form by the City Attorney.

- 1.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

On March 17, 2020, the Carson City Council declared a local state of emergency in response to the COVID-19 pandemic. As a result of this action, many new programs were established to support Carson residents during this difficult time. On initiative that has proven especially popular is the Carson Essentials-To-Go grocery delivery program that provides vulnerable residents with hard-to-find essential goods, while reducing their exposure and keeping them safe at home. The program was originally funded by the City, and contributions from various companies and organizations.

At the onset of the program, staff reached out to potential vendors to determine capacity, availability, and affordability. Staff found that Panera Bread was unable to customize packages to fit the needs of homebound seniors. Phantom Carriage had an extremely limited menu, and were unable to produce the volume of food needed on a weekly basis. Additionally, Phantom Carriage would not be able to correct mistakes if the wrong food had been received; it only offered a credit going forward. Restaurant Depot did have a large selection of goods, but their staff was unable to package the items. City employees would have had to package the goods in addition to delivering them; moreover, Restaurant Depot is not located in Carson.

Ultimately, the City of Carson elected to collaborate with Norms Restaurant, LLC to create Carson Essentials-To-Go, as it provided the best and most effective means of providing these packages. For one, Norms Restaurant has its own grocery warehouse, allowing it to

sell their goods at cost. Restaurant management assigned a Norms staff member to work directly with City staff for the duration of the program to ensure that all groceries were consistently ordered, packaged, and ready for pick up. Most importantly, the turnaround time was unequaled. City staff submitted orders at the end of a business day, and those orders were ready for pick up the next morning. Norms accommodated grocery requests, such as adding a salmon package, without hesitation, and the customized holiday packages, e.g. the 4th of July BBQ and Thanksgiving meals, were very popular. The company was also able to make corrections in real time. City staff members could call Norms to report a mistake or an omission, pick up the correct goods, and deliver them to residents within an hour. In short, this collaboration has been one of the more successful initiatives created in response to the Covid-19 pandemic.

Staff recently reached out to the local Denny's restaurant to solicit interest in supplying food for the program. Unfortunately, Denny's did not possess a food wholesaler's permit, so they are unable to sell unprepared food direct to the City. They are also not equipped with necessary high capacity refrigeration and assembly space the volume of product requires.

In November of 2020, the City Council accepted an allocation of CDBG funds in the amount of \$171,000 for the Carson Essentials To Go 2.0 program. This new endeavor provides free grocery packages to Carson residents who meet age or income qualifications. Interested parties attend certification events that verify their eligibility. Once qualified, Carson residents call to place monthly orders, and the grocery packages are prepared by Norms and delivered by uniformed City employees. Approximately 1,377 packages have already been delivered, with more orders received every week. Due to the success of the program, the original \$150,000 threshold has been reached. An amendment to the original MOU extending the funding limit is required to allow for future purchase orders to be processed.

It is worth noting that Section 2.a.iii. of the contract amendment provides a for the increase of the contract amount under certain circumstances as follows:

"In the event City's contract officer at any point determines the demand for the Program will exceed the limits set forth in Section 4, City's contract officer may request an estimate of Norms' cost to provide an additional number of weekly Packages as determined by City's contract officer to be necessary and appropriate to meet the demand. Norms will provide the cost estimate to City's contract officer within two business days of the request. City's contract officer will then seek approval of additional funding, based on the estimate, from City's Disaster Council or City Council prior to approving any additional Packages."

This is to suggest that staff will seek advice from the Disaster Council for direction on requesting additional funding or contract expansion before securing formal approval to do so from the City Council; who has the ultimate and final authority to approve or deny the request.

Conversely, should the demand or need for the service decrease, the City may elect to terminate this contract early and consider reprogramming any remaining CDBG funding toward other eligible programs or projects.

V. FISCAL IMPACT

Should the City Council approve staff's recommendation, \$42,000 in funding from CDBG account #215-70-720-968-6525 may be used to support the Carson Essentials-To-Go 2.0 program in Fiscal Year 2020/21. The balance of the allocation - \$129,000 - will be available in Fiscal Year 2021/22. Staff will endeavor to reduce our reliance on these funds by seeking contributions from our Carson business partners. The City was fortunate to benefit from the generous contributions from the Watson Land Company, the Carson Companies, Phillips 66 and the Carson Community Foundation when the program was first established.

VI. EXHIBITS

1. Draft Amended MOU between the City of Carson and Norms Restaurant, LLC (pgs. 4-7)

1.

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