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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: September 2, 2008

Agenda Item No. 9(A)(2)

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Resolution No. R-918-08

Subject: Resolution Approving a One-Year Extension to the Corrections and Rehabilitation Department Food Services Bureau Memorandum of Understanding

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RECOMMENDATION

It is recommended that the Board of County Commissioners (BCC) approve a one-year extension to the Corrections and Rehabilitation Department Food Services Bureau (FSB) Memorandum of Understanding (MOU) for Fiscal Year 2007-08 (attached). Employees will be challenged to achieve a cost per inmate meal of $1.240 and will be eligible to receive gainsharing distributions if savings are achieved.

SCOPE

The scope of the Food Services Bureau MOU is Countywide in nature.

FISCAL IMPACT / FUNDING SOURCE

The MOU will provide employees with financial incentives for decreasing the cost per inmate meal. Gainsharing bonuses, if any, will be funded by savings in meal costs. Should the cost per meal exceed the target of $1.240, the additional cost will be offset by a deduction from the FSB Special Purpose Account, which was funded through prior year savings.

BACKGROUND

Employees of the Corrections and Rehabilitation Department Food Services Bureau (FSB) are responsible for preparing approximately 9 million inmate meals annually in accordance with State nutritional and safety requirements. The first Corrections Food Services Bureau (FSB) MOU was approved by the BCC in July 1998, and a successor agreement was approved by the BCC in March 2003. Under the terms of the agreement, FSB employees were challenged to achieve a cost per inmate meal competitive with private industry. Over the past five years, FSB employees achieved net savings of $298,000; overall net savings since 1998 exceed $4 million.

The March 2003 agreement expired on September 30, 2007 following a five-year term. Over the past several months, staff from Corrections and the Office of Strategic Business Management (OSBM) have worked diligently to refresh comparative benchmarking research and develop a potential successor MOU. Notwithstanding these efforts, Corrections, OSBM and the FSB employees have concluded that additional time is warranted to explore alternatives for a new agreement, which may include additional incentives for further cost reductions. Consequently, it is recommended that the 2003 MOU be extended for an additional Fiscal Year through September 30, 2008. The cost per meal target for FY 2007-08, which corresponds to the previous year's target adjusted by the increase in the Consumer Price Index, is $1.240.

The extension to the MOU was reviewed by representatives from the Government Supervisors Association and AFSCME Local 1363. This MOU is consistent with the provisions of the Countywide Gainsharing Guidelines and does not amend or abridge, in any way, existing collective bargaining agreements.

Alina Hudak
Assistant County Manager

Attachments

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: September 2, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 9(A)(2)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 9(A)(2)
9-2-08

RESOLUTION NO. **R-918-08**

RESOLUTION APPROVING A ONE-YEAR EXTENSION TO THE CORRECTIONS AND REHABILITATION DEPARTMENT FOOD SERVICES BUREAU MEMORANDUM OF UNDERSTANDING

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves a one-year extension to the Corrections and Rehabilitation Departments Food Services Bureau Efficiency and Gainsharing Program as outlined in the accompanying Memorandum of Understanding, a copy of which is incorporated herein. The extension shall be for the one-year period commencing October 1, 2007.

The foregoing resolution was offered by Commissioner **Joe A. Martinez**, who moved its adoption. The motion was seconded by Commissioner **Jose "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman **aye**
Barbara J. Jordan, Vice-Chairwoman **aye**

Jose "Pepe" Diaz	**aye**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Joe A. Martinez	**aye**	Dennis C. Moss	**aye**
Dorrin D. Rolle	**aye**	Natacha Seijas	**absent**
Katy Sorenson	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of September, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Robert A. Duvall

Miami-Dade County
Corrections and Rehabilitation Department
Food Services Bureau

Memorandum of Understanding Extension

Pursuant to Section IV (L) of the Memorandum of Understanding (MOU) agreed upon on January 17, 2003 between the County Manager on behalf of Miami-Dade County, the Director of the Office of Performance Improvement, the Director of the Office of Management and Budget (now Office of Strategic Business Management), the Director of the Corrections and Rehabilitation Department, and the employees of the Food Services Bureau, the terms of the MOU are extended by mutual consent of the parties through Fiscal Year 2007-08.

All other terms and conditions of the original MOU remain the same.

IN WITNESS WHEREOF, the undersigned agree to the terms and conditions specified in this addendum to the MOU effective as of the last date herein set forth.

George M. Burgess County Manager	Date	Timothy Ryan, Director Corrections and Rehabilitation Department	3-20-08 Date
Jennifer Glazer-Moon, Director Office of Strategic Business Management	4/15/08 Date	Representative for Food Services Bureau employees	3-19-08 Date
		Witness for Food Services Bureau employees	3/19/08 Date
Robert Glover, President AFSCME LOCAL 199	2-29-08 Date	Richard Ellis, President Government Supervisors Association of Florida	3/19/08 Date

Miami-Dade County
Corrections & Rehabilitation Department
Food Services Bureau

Efficiency & Competition Program
Memorandum of Understanding

I. PREAMBLE

This Memorandum of Understanding (MOU) memorializes an agreement reached on January 17, 2003 between the County Manager on behalf of Miami-Dade County, the Director of the Office of Performance Improvement, the Director of the Office of Management and Budget, the Director of the Corrections & Rehabilitation Department, and the employees of the Corrections & Rehabilitation Department's Food Services Bureau hereafter referred to as "the parties".

II. SCOPE

This Efficiency & Competition Program commits the parties to the goals contained within this MOU relating to food service quality, budget efficiencies and Gainsharing. The agreement precludes efforts by the County to pursue a private food service vendor so long as the Food Services Bureau meets the stated objectives.

The primary responsibility of the Food Service Bureau is to meet or exceed the standards contained within the Florida Model Jail Standards, as well as all other Federal, State, and local rules and regulations, while maintaining a cost effective operation. Food services will be provided to inmates at the following facilities:

- Pre-Trial Detention Center;
- Turner Guilford Knight Correctional Center;
- Training & Treatment Center;
- Metro West Detention Center; and
- All Food Service activities associated with the Women's Detention Center and North Dade Detention Center, with the exception of meal presentation at the Women's Detention Center.

The scope of this Efficiency and Competition Program will also include budget efficiencies associated with providing meal services to Correctional Officers and for catering, so long as neither activity compromises the core mission of providing meal services to inmates at the above mentioned facilities. This agreement contains a provision for tracking the "meals to inmate" ratio. Though not directly associated with the performance of the Food Service Bureau, this ratio will be used to determine savings associated with new meal ordering and delivery procedures for inmates within facilities and in transit.

Any new facilities or activities that have not been accounted for in the "Budget

Objective" used for monitoring Bureau performance shall not be within the scope of the Efficiency & Competition Program. Such new facilities or activities may be brought within the scope of the Efficiency & Competition Program through re-opened negotiations of this agreement by the parties and any resulting amendments. Should catering operations be substantially expanded, the parties may develop an addendum to this agreement to address the expansion in catering revenue and treatment of expenses. Should any existing facilities, activities, operations or processes included within the scope of this agreement be altered by County or Department policies or decisions, the parties may re-open negotiations and amend this agreement.

The Budget Objective and Gainsharing provisions were designed to provide an incentive to produce budget savings commensurate with private sector providers while maintaining the integrity and soundness of capital investments, infrastructure, and operations. The Budget Objective presented in this document is based on a competitive target that was determined through cost accounting survey methods of correctional institutions within Florida using private food service providers. It is the intent of this agreement that a portion of "Additional Savings", defined as savings from Food Services Bureau operational efficiencies that reduce expenditures below the Budget Objective, shall be available for Gainsharing. Fifty percent (50%) of savings will accrue to the County's general fund and 50% will accrue to the Food Services Bureau. The 50% of Additional Savings allocated to the Food Services Bureau will be placed in a special purpose account. Special purpose account uses are further detailed in Section III, D. This MOU may be reopened for the purpose of establishing the treatment of the Food Services Bureau special purpose account savings as set forth in Section III D.

It is the intent of this agreement to comply with the Miami-Dade Countywide Gainsharing Guidelines included in Attachment II.

III. SERVICE LEVELS AND BUDGET OBJECTIVE

This MOU is a commitment to operating the Food Services Bureau effectively, efficiently, and competitively. The Budget Objective reflects a level of competitive performance commensurate with private food service providers.

A. Service Levels

All service methods and procedures implemented to meet the objectives of the Efficiency & Competition Program will be developed under the premise that core service functions must be maintained at current standards or better, and comply with the Florida Model Jail Standards and all Federal, State, and local rules and regulations. The baseline service standards for this MOU were originally identified using Request for Proposal (RFP) No. 144 dated August 14, 1997. The standards contained within RFP No. 144 are incorporated herein by reference. On advice of the parties, the County Manager may approve or disapprove of any

proposed changes to current standards.

B. FY 2002-03 Budget Objective

The Budget Objective is based on a per meal cost as determined through survey methods and the use of Consumer Price Index adjustments, and meal provision volume projections. For fiscal year 2002-03, the Budget Objective shall be $9,595,517, as detailed below. Attachment I provides all Food Service line item budget expenses that will be included in the Budget Objective. This target represents a decrease of $1,531,183 from the current budgeted amounts that are identified as the responsibility of the Food Services Bureau.

Budget Objective Fiscal Year 2002-03

	Estimated Number of Meals	Cost per meal	Total
Budget Objective	8,901,222	$1.078	$9,595,517

At the conclusion of each fiscal year, Additional Savings shall be determined by calculating performance against the Budget Objective. The calculation will be based on adjusting the Budget Objective for actual meals served, as well as for revenues and expenses associated with catering, Officer meals, additional juvenile food and the avoided cost of contract monitoring.

C. Term and Option Years

This MOU is valid for Fiscal Year 2002-03 through Fiscal Year 2004-05, and can be extended by mutual consent of the parties for up to two (2) additional one (1) year periods. It is the intent of the parties that the Budget Objective throughout the term of this agreement will be calculated based on the previous year's Budget Objective, and may be adjusted by the prior year's Consumer Price Index (CPI) as determined during the annual budget process. Specific adjustments for costs related to unforeseen circumstances may be made pursuant to the Administration of Agreement Provisions in Section IV of this document.

D. Treatment of Additional Savings

Parties agree that 50% of identified "Additional Savings" as defined in Section II shall be identified and tracked in a special purpose Food Service account for Food Service uses identified below. Such additional savings may be (contingent upon review of system performance and other system expenditures that are out of the scope of the defined Budget Objective. Expenditure of funds will conform with normal county rules and authorization processes. The potential usage of the Food Services account include:

1. Credits toward Budget Objectives in subsequent years if and when necessary to meet annual goals; and
2. To purchase otherwise unfunded new technology, facility improvements, and to promote the effectiveness and professionalism of System employees, and/or
3. To establish and fund an employee gainsharing program. The amount made available for gainsharing shall not exceed 25% of Additional Savings.

Savings created from this agreement will be funded no later than 90 days following the conclusion of the Annual Closeout further detailed in Section IV-H. Expenditure of any funds from the Food Services special purpose account requires the authorization of the County Manager based on recommendations of the parties to this MOU or their designees.

E. Treatment of Additional Savings remaining from prior MOU

Additional Savings remaining from the 1998 MOU signed between the parties will remain identified and remain available for Food Services uses as defined in Section III D.

IV. ADMINISTRATION OF AGREEMENT

A. Default Thresholds

Any Budget Objective shortfall of the System must be repaid in total before a positive balance can be established in the Special Purpose Food Services account and before funds can be expended. Spending in excess of the Budget Objective is defined to be a Budget Objective shortfall.

The parties agree that failure to meet the stated Budget Objective and adherence to service levels outlined in Section III A may, at the County Manager's sole discretion, result in a competitive external procurement of System operations and maintenance pursuant to and consistent with applicable County Policy, and applicable regulations and laws.

B. Budget Performance Monitoring

The Director of Miami-Dade Corrections & Rehabilitation Department, in conjunction with the Food Service Bureau and the Office Management and Budget (OMB), will provide the County Manager a mid-year Performance Report, utilizing Attachment I as a basis, tracking budget variances and providing for current year corrective actions, when necessary. The Performance Report shall be delivered no later than 30 days following the end of the second quarter and shall include the following:

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- A narrative description of how the Budget Objective is being accomplished, both financially and operationally; and
- Performance standards - quantitative measures of performance which demonstrate standards are being met or exceeded; and
- Explanations for all instances where Budget Objectives and performance standards are not met, including an action plan for correcting the situation in the current fiscal year.

B. Uncontrollable Events/Changes in Law

The Efficiency & Competition Program Budget Objective has been based on reasonable assumptions of projected costs and savings. However, the parties understand and acknowledge that extraordinary unforeseen events, beyond the reasonable control of the Food Service Bureau employees and management, may result in costs and/or savings that could significantly affect their ability to meet the stated objectives.

To protect and promote the Efficiency & Competition Program, the parties agree that cost impacts associated with extraordinary and unforeseen events may lead to adjustments of the Budget Objectives for purposes of assessing performance under this program. Such events may include, but are not limited to:

- Major changes in the USDA Regional Wholesale Food Price Index, Consumer Price Index (Food Costs) and the Consumer Price Index (All Urban Consumers); and
- Mandates for changes in service levels; and
- Catastrophic breakdowns of major equipment or capital; and
- Catastrophic Acts of Nature.

Any other events beyond the reasonable control of the Food Services Bureau, including changes in law that have a material effect upon costs or the ability of the Food Service Bureau to perform under this MOU and corollary service agreements may have the effect of re-opening negotiations to make appropriate adjustments to the Budget Objective.

"Changes in law" means generally any of the following events which occur after the agreement date:

- The promulgation, modification or written change in interpretation by a controlling authority of any applicable law unless the System had notice or should have had notice of such change as of the date of this agreement; or
- The order or judgment of any court or other controlling authority as long as it was not the result of a willful or negligent act or lack of reasonable diligence by a party to this agreement.

"Changes in law" shall not include a change in any tax or similar law.

The Director of the Miami-Dade Corrections & Rehabilitation Department

shall be responsible for investigating uncontrollable events/changes in law to determine materiality, as detailed above. Upon such findings, the Director, with the concurrence of the County Manager, shall issue notice to the parties of this agreement stating the cost and consequence of the event. Depending on the nature of the event and findings, the associated costs may either be: a) removed from the total costs charged against the System for assessing performance; or b) the parties of this agreement shall reconvene to renegotiate the Budget Objective in light of the event. In the latter case, only the Budget Objective of this agreement related to the specific event shall be reopened, all other terms and conditions shall remain unchanged.

D. Labor / Management Cooperation

The parties acknowledge that cooperative labor/management relations, as typified by the relationship established in developing the Efficiency & Competition Program and this agreement, are critical to meeting the competitive challenge and objectives detailed in this document. The parties commit to maintaining the momentum, energy, and good will of this effort.

E. Relationship with Labor Contracts

It is the intent of the parties that this agreement be interpreted in harmony and compliance with the comprehensive labor contracts between Miami-Dade County and authorized employee organizations representing Food Services Bureau employees. All rights and benefits of the parties under existing and future labor contracts are preserved. Any labor disputes related to Collective Bargaining agreements shall be resolved through the applicable use of established processes within labor agreements in effect at the time of the dispute.

F. Applicable Law

In the event that any condition, covenant, or provision of this MOU is held to be invalid or void by any court of competent jurisdiction, or is deemed to be contrary to the law or any covenant or condition or provision of any contract to which the County is a party, the same shall be deemed severable from the remainder of this MOU and in no way shall affect any other covenant, condition, or provision. If any covenant, condition, or provision of this MOU is deemed to be invalid due to scope or breadth, such covenant, condition, or provision shall be deemed valid to the extent the scope or breadth is permitted by law.

G. Impacts on Staff

The parties agree that a top priority of the Efficiency & Competition Program is to optimize operations and, in the process of doing so, to protect the employment rights of all affected employees. To that end, the parties agree that every

reasonable effort will be made to effect staffing reductions, when necessary, through attrition.

H. Annual Closeout

At the conclusion of each fiscal year, the Closeout Committee will convene to determine if the Food Services Bureau met the established quality standards and savings target. The Closeout Committee will be comprised of staff from Corrections and Rehabilitation, the Food Service Bureau, the Office of Performance Improvement, and the Office of Management and Budget. The Closeout Committee will determine the financial performance of the Food Service Bureau in meeting the Budget Objective, and determine the amount of Additional Savings, if any, available for Gainsharing and review the list of employees eligible for Gainsharing. In addition, the Closeout Committee will review the results of an audit completed by a certified nutritionist to ensure meal quality standards are met. Parties will agree on the proper format for the audit including a quarterly sampling of meals.

I. Employee Gainsharing Distribution

The criteria for determining Gainsharing eligibility and distributions can be found in the Miami Dade Countywide Gainsharing Guidelines and are included as Attachment II for reference. Full-time Food Service employees working the full length of the gainsharing period will receive a full share of the bonus award capped at $5,000. Employees who worked only a portion of time under this agreement will receive a prorated amount. Employees who are out of pay status, on family leave, leave without pay, or extended sick or injury leave, will have their distributions prorated to reflect the portion of the gainsharing period worked under this agreement. Additional eligibility detailed in the Miami-Dade Countywide Gainsharing Guidelines apply to this agreement.

K. Possible Addendum

Should the parties agree on the benefits of developing a program for the reduction of the meals to inmate ratio, an addendum to this agreement may be considered.

L. Successor Agreement

The parties recognize that insofar as it is in the public and the parties mutual interest and insofar that the terms and conditions of this and corollary service agreements are met, it will be the option of the parties to negotiate a new

agreement or extension of the existing agreement at the conclusion of the term and option years of this agreement. The new agreement will be reflective of competitive private sector alternatives.

This agreement shall be effective only after the ratification of all parties listed below as evidenced by their respective signatures and approval of the Board of County Commissioners.

IN WITNESS WHEREOF, the undersigned agree to the terms and conditions specified in this MOU.

DATE:

Steve Shiver, County Manager

David Morris, Director Office of Management & Budget

Corinne Brody, Director
Office of Performance Improvement

Lois Spears, Director
Corrections & Rehabilitation Department

Debra McCarthy
Representative for Food Service Employees
Print name:
Debra McCarthy

Witness for the Food Service Representative,
Print name:
Bertram Strachan Jr.

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